

Socioeconomic Report
for the
Bay Area 1991 Clean Air Plan

Response to Comments

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SOCIOECONOMIC REPORT
for the
BAY AREA 1991 CLEAN AIR PLAN
RESPONSE TO COMMENTS

October 1991

Prepared for the
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 Ellis Street
San Francisco, California 94109

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1. INTRODUCTION

1. INTRODUCTION

1.1 PURPOSE AND CONTENT OF SOCIOECONOMIC REPORT

The Socioeconomic Report on the Bay Area 1991 Clean Air Plan (CAP) consists of the Socioeconomic Report, prepared July 1991, and this Response to Comments document. The CAP, which is incorporated into this document by reference, has been proposed by the Bay Area Air Quality Management District (BAAQMD or "District"). The Socioeconomic Report was circulated for public review in July and August 1991, at the same time that the Draft Environmental Impact Report (EIR) for the 1991 CAP was being circulated for public review.

This Response to Comments document includes: an introduction; a summary of socioeconomic impacts; revisions to the text of the Socioeconomic Report; a list of letters, received by the BAAQMD during the comment period for the Draft EIR which include comments on the Socioeconomic Report; reproduction of the comments received; and, responses to the comments on the Socioeconomic Report submitted during the public review period.

The Socioeconomic Report was distributed for review and comment to the public and interested public agencies from July 5, 1991 through August 19, 1991. Public hearings were held on July 3 and July 24, 1991 to receive comments on the Draft CAP the Draft EIR and Socioeconomic Report. All verbal comments received at the public hearings were recorded and transcribed by the District. Written comments on the Socioeconomic Report were also received by the BAAQMD during the public review period for the DEIR.

Copies of all written and transcribed verbal comments received on the Socioeconomic Report are contained in this volume. Only comments on Socioeconomic Report from public hearings are reproduced in this document, for complete transcripts, refer to FEIR. Individual comments are

bracketed and assigned numbers indicated in the margin of each page. The BAAQMD has prepared responses to each comment, and these responses, corresponding to the numbered comments, directly follow each letter. The comments received on the Socioeconomic Report have been organized as follows:

- A State Agencies
- B Local Agencies
- C Institutions and Organizations
- D Individuals
- E Transcripts

Following the letter of the alphabet is a number which simply orders the letters within this grouping. For example, letter B3 corresponds to the third letter from a local agency. One of three characters follows a hyphen, identifying whether the comment is associated with the CAP, the Draft EIR or the Socioeconomic Report for the CAP. Comments on the CAP are simply designated by a "P", such as "B3-P". Comments on the Draft EIR are followed by sequential numbering, such as B3-4, B3-5 etc.. Comments on the Socioeconomic Report for the CAP are also sequentially numbered; however, the numbers are preceded by the letter S, such as B3-S6.

This document only contains responses to comments on the Socioeconomic Report. Comments on the DEIR for the CAP are addressed in a separate document entitled Final Environmental Impact Report for the Bay Area 1991 Clean Air Plan, Comments and Responses. The BAAQMD also received many comments on the CAP itself. Comments from individuals, organizations and public agencies were received at public hearings before the BAAQMD Board of Directors, informational meetings and in written comment letters. BAAQMD staff reviewed all CAP comments in detail, summarized the comments and provided staff responses for consideration by the Board. The BAAQMD Board considered the summary of CAP comments at the September 4, 1991 meeting in which they discussed the Draft CAP. Subsequently, staff prepared a detailed staff report regarding CAP issues raised by Board members and in public comments specifically identified by the Board. The BAAQMD Board further discussed the Draft CAP and public comments on the CAP at the September 18, 1991 meeting, and directed staff to revise the CAP based in part on the public comments received. The BAAQMD Board of Directors will consider the Final CAP at a public hearing scheduled for October 30, 1991.

Many of the comment letters submitted on the Socioeconomic Report also contained comments on the CAP. These CAP comments were included in the CAP comment summary discussed above for consideration by the Board. Because these comments deal with the content of the CAP rather than the environmental impact analysis, specific responses are not provided in this Response to Comment document.

This document is being sent to all organizations and individuals that submitted comments on the Socioeconomic Report. Copies of the document also are available for public review at the BAAQMD Technical Library. This Response to Comments document will be presented to the BAAQMD Board of Directors during their scheduled meeting on October 30, 1991. At this meeting, the Board will consider adoption of the CAP based on review and consideration of this document as well as the EIR.

1.2 REVISIONS TO THE CAP

A number of revisions have been made to the CAP in response to public comments on the Draft CAP and Draft EIR. The revisions are not expected to raise any new environmental issues not already addressed in the Draft EIR. The revisions include one new control measure, relatively minor refinements to control measures already included in the Draft CAP and Draft EIR, and a revised contingency process. In some cases, the revisions are expected to result in additional beneficial impacts. The following discussion describes the revisions, explains the BAAQMD's rationale for including them in the Final CAP and describes the BAAQMD's reasons for concluding that further environmental analysis is not needed.

Control Measure D9 - Control of Emissions From Residential Wood Combustion

Revision to Final CAP - This is a new stationary source control measure added to the Final CAP. This measure would reduce emissions from domestic wood stoves and fireplaces by: 1) expanding public awareness programs, 2) requiring uncontrolled wood stoves to be removed or replaced by controlled stoves upon sale of real property, 3) accelerating the implementation of emission limits on new wood stoves, 4) placing restrictions on the sale and installation of used wood stoves, 5) exploring the possibility of establishing a moisture content limit for "seasoned wood", and 6) establishing a voluntary curtailment program.

Rationale - Members of the public recommended that the Final CAP include a control measure limiting emissions from residential wood combustion. The California Air Resources Board considers residential wood combustion control to be a feasible measure that must be included in the CAP.

Environmental Considerations - This measure is not expected to result in any significant adverse environmental impacts. In addition to reducing emissions of ozone precursors and carbon monoxide, control measure D9 will also reduce emissions of particulate matter. Particulate emissions from wood burning can contribute to adverse health impacts as well as public nuisance problems. The measure would also reduce emissions of polycyclic organic material, a class of potentially toxic compounds, some of which have been classified as probable human carcinogens. Control measure D9 would also reduce accumulation of creosote in chimneys, which would reduce the risk of chimney fires.

TCM 2 - Employer-Based Trip Reduction Rule

Revision to Final CAP - The Final CAP accelerates the schedule for rule adoption for TCM 2 from September 1992 to July 1992. Implementation in July 1993 has not changed.

Rationale - Various commenters on the Draft CAP and Draft EIR stressed the importance of coordinating CAP TCMs with local congestion management programs. The rule adoption schedule for TCM 2 has been accelerated to better coordinate with local trip reduction ordinances being developed in response to congestion management requirements.

Environmental Considerations - Neither the content nor the implementation date for TCM 2 have changed, and thus neither the nature nor the timing of potential adverse impacts are expected to change. By moving forward the rule adoption date, it is expected that coordination between local and regional agencies will be enhanced.

TCM 9 - Bicycle Improvements

Revision to Final CAP - A goal for increasing bicycle commute mode share has been added to TCM 9. The proposal is to increase bicycle commute mode share from 1.275 percent (current) to 3.0 percent by 1997. The specific elements of TCM 9 have not changed.

Rationale - Many commenters on the Draft CAP and Draft EIR stressed the importance of encouraging the use of bicycles as alternatives to the automobile. The BAAQMD recognizes that bicycles are a low cost, pollution free vehicle that can play an important role in regional transportation, given support by the public and private sectors. The BAAQMD seeks to reinforce the importance of bicycles as an alternative to the automobile by including in the Final CAP a specific goal for bicycle commute mode share.

Environmental Considerations - There is no change in the substantive elements of TCM 9, and thus the environmental analysis in the Draft EIR is adequate.

TCM 15 - Carpool Incentives

Revision to Final CAP - Reference to free tolls on all bridges at all times for HOVs has been deleted from the Final CAP. No changes are proposed to the current free tolls for HOVs during peak periods.

Rationale - Some commenters voiced concern about 24-hour free bridge tolls for HOVs. The primary motivation for using HOV lanes at the bridges is the time savings from bypassing congested toll plazas, not the free toll. Providing free tolls for HOVs during non-peak periods would reduce revenues for transit service improvements while providing little additional stimulus for ridesharing.

Environmental Considerations - Elimination of free bridge tolls for HOVs during non-peak periods is expected to have an insignificant effect on vehicle trips and vehicle emissions. The environmental analysis in the Draft EIR is adequate.

TCM 16 - Indirect Source Control

Revision to Final CAP - The regulatory schedule in the Final CAP postpones rule adoption for Indirect Source Control (ISC) for existing sources from 1993 to 1994. The ISC program for new indirect sources is still scheduled for rule adoption in 1993.

Rationale - The California Clean Air Act requires that the CAP include an expeditious rule adoption schedule. The Final CAP proposes an ambitious schedule consisting of eight CAP control

measures, including one major TCM, per year. The Employer-Based Trip Reduction rule is scheduled for adoption in 1992. Indirect Source Control for new sources is scheduled for adoption in 1993. Indirect Source Control for existing sources is scheduled for adoption in 1994. This schedule will allow adequate time for conducting the rule development process for this complex and controversial rule.

Environmental Considerations - The revised schedule will not result in any new environmental impacts. The benefits of the measure will be postponed slightly, but will occur in accordance with the expeditious rule adoption schedule outlined in the Final CAP.

TCM 21 - Revenue Measures

Revision to Final CAP - In the Draft CAP, Phase 1 included adopted revenue measures (Increase in Gas Tax by \$.09/gallon and Increase in Bridge Tolls to \$1.00) and development of a legislative package for implementation of additional revenue measures. The Phase 2 revenue measures were proposed to raise \$500 to \$600 million/year for funding TCM implementation in Phase 2. The Phase 2 revenue measures were bridge toll increase to \$2.00, increase vehicle registration fee by \$4.00, and gas tax increase of \$.14/gallon or equivalent revenue-generating measure.

In the proposed Final CAP, Phase 1 includes the adopted revenue measures mentioned above and revenue measures expected to be approved by the legislature during Phase 1 (AB 434 - increase in vehicle registration fees by \$4.00 and SB 210 - increase in bridge tolls to \$2.00). Phase 2 includes the \$.14 per gallon gas tax increase or equivalent measure.

Rationale - This revision is not a substantive change to TCM 21. Rather, it more accurately represents the current legislative status of the revenue measures. The identified revenue measures are needed to generate additional revenue to fund TCM implementation at the earliest possible date. Legislation to implement increased bridge tolls (SB 210) and increased vehicle registration fees (AB 434) is pending in Sacramento. Prospects for approval in 1991-92 are good. Additional legislation is needed to implement a gas tax increase or equivalent revenue-generating measure. Thus, this revision to the CAP reflects the fact that some revenues (approximately \$70 million/year), previously scheduled to become available in Phase 2, may be available in Phase 1.

Environmental Considerations - As noted above, this revision does not affect the substance of TCM 21, but merely reflects the current legislative status of the revenue measures. No new environmental impacts are expected.

TCM 22 - Market-Based Pricing Measures

Revision to Final CAP - In the Draft CAP, the market-based TCMs were included in Phase 3, with an expected implementation date after 1997. The market-based TCMs include smog-based vehicle registration fees, congestion pricing of freeways, gasoline taxes, and parking fees.

In the proposed Final CAP, the development of a legislative package for market-based TCMs is included in Phase 1 and the implementation of market-based measures is scheduled for Phase 2. The proposal for market-based TCMs is to begin with low fees, and increase the fees as transportation alternatives became available in order to provide a transition period and to minimize economic impacts on low-income auto-dependent households. Revenues would be used for specific programs to address equity impacts as well as to fund transportation improvements. It should be noted that actual implementation of the market-based measures is dependent upon the State legislative process.

Rationale - The BAAQMD received many comments from business and environmental groups supporting the market-based TCMs and urging their prompt implementation. The proposed revision to the Final CAP seeks to address these concerns by expediting the implementation of the market-based measures as much as practicable, taking into consideration the time required to secure legislative approval.

Environmental Considerations - The basic change to TCM 22 is earlier pursuit of legislative authority to implement the market-based TCMs. Earlier pursuit may result in earlier implementation; however, the actual implementation of the market-based measures is still dependent upon legislative approval. This has not changed. The Draft EIR acknowledges that the market-based measures could result in adverse impacts if adequate transportation alternatives are not available when the fees are imposed. As noted above, the Final CAP proposes that the market-based measures begin with low fees, increase the fees as transportation alternatives become

more available, and use revenues to address potential equity impacts. No new impacts beyond those already discussed in the Draft EIR are expected to occur.

TCM 23 - Ozone Excess "No Drive Days" (Voluntary)

Revision to Final CAP - In the Draft CAP, Control Measures G3 - Ozone Excess No Drive Days (Voluntary) was included with the Stationary Source Control Measures. In the proposed Final CAP, G3 has been converted into TCM 23. No changes in the measure are proposed.

Rationale - This measure is a TCM, not a stationary source control measure.

Environmental Considerations - The substance of this control measure has not been changed. No further environmental review is needed.

Contingency Process

Revision to Final CAP - The following control measures, designated as contingency measures in the Draft CAP, have been deleted from the Final CAP: F2, Emission Minimization Management Plan; G4, Ozone Excess "No Drive Days" (Mandatory); H2, High Polluting Vehicle Retirement Program; and H4, Urban Bus Electrification. Rather than designating contingency measures, the proposed Final CAP includes a contingency process. Under this process, the BAAQMD and cooperating agencies will strive to adopt and implement control measures on an expeditious schedule. When the BAAQMD staff or Board determine that a control measure proposed in the CAP cannot be adopted or implemented, staff will accelerate, to the extent possible, the rule adoption and implementation process for subsequent rules. If additional measures not currently in the CAP are identified as feasible for the Bay Area, the BAAQMD will incorporate the measures into the annual regulatory schedule according to their emission reductions and cost-effectiveness compared to other proposed measures.

Rationale - The CAP's rule adoption schedule is based on various factors, including the control measures' technological feasibility, cost-effectiveness, and other environmental, social and legal considerations. The BAAQMD believes that it does not make sense to identify contingency measures that are not deemed feasible at the time of plan adoption, but that might later be inserted into the rule adoption sequence in preference to other scheduled feasible measures.

Rather, the Final CAP proposes to accelerate adoption of control measures scheduled for future years, as needed, and to include new measures when they are identified as feasible measures for the Bay Area.

Environmental Considerations - Because control measures that might be accelerated under this contingency process are already analyzed in the DEIR, no further review of these measures is needed. With respect to new control measures that may be deemed feasible and added to the regulatory schedule in the future, the BAAQMD's determination of feasibility, as noted above, includes consideration of the measure's environmental and social effects. If the CAP is revised to include new control measures, their environmental impacts would be considered at that time.

1.3 HOW TO USE THIS REPORT

This report is divided into five chapters: Introduction, Summary of Socioeconomic Impacts, Revisions to the Socioeconomic Report, List of Letters, and Comments and Responses. A description of each chapter follows.

The Introduction describes the purposes and content of the Socioeconomic Report and how to use the report.

The Summary of Socioeconomic Impacts chapter lists in the form of a Summary Table the potential socioeconomic impacts of the CAP. This chapter has been revised and updated from the Summary chapter presented in the Socioeconomic Report to reflect changes resulting from the public review process.

The Revisions to Draft EIR chapter of this document includes changes to the Socioeconomic Report. These changes were made after consideration of comments received during the public review period. The new or revised text in the Socioeconomic Report is identified following the page, paragraph and sentence number in which the text originally occurred. Changes to Impacts in the Socioeconomic Report will appear in this chapter as well as in Section 2.1, Summary Table, of this document.

The List of Letters includes a listing of all agencies, individuals, and organizations who submitted written comments to the BAAQMD on the Socioeconomic Report.

The Comments and Responses chapter includes a reproduction of each letter commenting on the Socioeconomic Report that was received during the public review period. Following each letter are the responses to comments on the Socioeconomic Report included in the letter. Comments were received from State agencies, local government agencies, community groups and organizations, businesses and individuals.

2. SUMMARY OF SOCIOECONOMICS IMPACTS

2. SUMMARY OF SOCIOECONOMIC IMPACTS

2.1 SUMMARY OF IMPACTS

The Summary of Socioeconomic Impacts of the CAP, Table 1 of the Socioeconomic Report, was prepared to give the reader an overview of the analysis contained in that report. As a result of comments received during the public review period, text and numbers for certain impacts have been revised.

2.2 SUMMARY TABLE

The Summary Table in this chapter provides an update of Table 1 of the Socioeconomic Report to reflect changes in impacts.

TABLE 1
SUMMARY OF SOCIOECONOMIC IMPACTS OF THE CAP

CAP MEASURES		AFFECTED GROUPS							
TRANSPORTATION CONTROL MEASURES	Business and Industry		Commuters		Low Income Groups		Bay Area Government		
	Benefits	Costs	Benefits	Costs	Benefits	Costs	Benefits	Costs	
Employer-Based Trip Reduction (TCMs 1,2)									
Highway Travel Time Savings *	\$10.7 million		\$108.5 million		(++)		(++)		
Administrative Cost *		\$150 million						\$5 million	
Phase 3 Employee Parking Fees (Social Transfers) *				\$1.46 billion		(---			
Mobility Improvements, Traffic Operation Management, Transit User Incentives (TCMs 3-15)									
Highway Travel Time Savings *	\$26.3 million		\$266.3 million		(++)		(++)		
Construction Employment (ten years)	25,000 jobs				(++)				
Transit Operation Permanent Employment	2,880 jobs				(++)				
Indirect Permanent Employment	6,450 jobs				(++)				
Implementation Costs *								\$598 million	
Driver Expenses (Social Transfers) *		\$22.3 million		\$203.6 million					
Indirect Source Review (TCM 16)									
Highway Travel Time Savings *	\$4.5 million		\$45.5 million		(++)		(++)		
Administrative Costs *								\$12 million	
Development Costs		(--)							
Implementation Support (TCMs 17-21)									
Highway Travel Time Savings *	\$8.4 million		\$85.1 million		(++)				
Administrative Costs *								\$4 million	
Increased Housing Production	(+)		(+)				(+)		
Market-Based Measures (TCM 22)									
Highway Travel Time Savings *	\$112 million		\$1.1 billion		(++)		(++)		
Driver Expenses (Social Transfers) *		\$332.4 million		\$3 billion		(---		(---	

* All dollar figures are annual benefits or costs expressed in 1991 dollars.

TABLE 1 (Continued)
SUMMARY OF SOCIOECONOMIC IMPACTS OF THE CAP

CAP MEASURES	AFFECTED GROUPS							
	Business and Industry		Commuters		Low Income Groups		Bay Area Government	
	Benefits	Costs	Benefits	Costs	Benefits	Costs	Benefits	Costs
STATIONARY SOURCE CONTROL MEASURES								
Compliance Costs								
Maximum Total Costs *		\$339.8 million						(--)
Major Industry Costs								
General Manufacturing *		\$102.1 million						
Utility Industries *		\$115.4 million						
Petroleum Refining *		\$76.9 million						
Restaurants *		\$13.2 million						
Transportation Equipment *		\$8.3 million						
Concrete and Glass Manufacturing *		\$6.6 million						
Employment Losses Due to Combined Compliance Costs								
Directly Related Permanent Jobs				2,160 jobs		(--)		
Indirect/Induced Permanent Jobs				8,970 jobs		(--)		
Employment Gains From Control Technologies								
Directly Related Permanent Jobs			1,080 jobs		(++)			
Indirect/Induced Permanent Jobs			4,490 jobs		(++)			
GENERAL CAP IMPACTS								
Health Benefits								
Reduced Health Costs	(++)		(++)		(++)		(++)	
Slower Health Services Employment Growth				(-)		(-)		
Increased Worker Productivity	(++)						(++)	
Increased Agricultural Production								
Lower Prices					(+)			
Increased Employment			(+)					
Other Impacts								
Fuel Savings	(++)		(++)		(++)		(++)	
Increased Travel Time on Transit		(--)		(--)		(--)		(--)
Reduced Materials Deterioration	(++)		(++)		(++)		(++)	
Increased Property Values	(++)		(++)				(++)	
Improved Quality of Life	(++)		(++)		(++)		(++)	

* All dollar figures are annual benefits or costs expressed in 1991 dollars.

3. REVISIONS TO THE SOCIOECONOMIC REPORT

3. REVISIONS TO THE SOCIOECONOMIC REPORT

3.1 TEXT CHANGES

INTRODUCTION

The following material identifies changes to the text of the Socioeconomic Report, July 1991. These changes result from comments made by the public and public agencies during the public review period on the Draft 1991 CAP and Draft EIR. For a discussion of revisions to the Draft CAP, please refer to Section 1.3 in the Introduction of this Response to Comments document. Changes made to the socioeconomic impacts are noted in Section 3.1 of this document and in responses to comments elsewhere in this report.

THE REVISIONS TO THE TEXT OF THE SOCIOECONOMIC REPORT

- o Corrections to Table 1 (see Chapter 2, Summary of Socioeconomic Impacts) are presented below:

Mobility Improvements, Cost to Local Government -- Correct figure is \$598 million (previously \$698 million).

Market-Based Measures, Travel Time Savings -- \$1.1 billion should be in benefit column (previously in cost column).

Employer-Based Trip Reduction, Mobility Improvements and Market-Based Measures are identified as "Social Transfers" in the corrected table.

- o Table 6, on page 29 of the Socioeconomic Report, is revised as follows:

Total - Value of Industry Output = \$107,246

Total - Estimated Annual Industry Compliance Cost Amount \$339,504,946

- o The parentheses following the first bullet under Stationary Control Measures, on page 6 of the Socioeconomic Report are revised to read: (1991).
- o The following text will replace the entire text under the heading Market-Based Measures on page 47 of the Socioeconomic Report:

As discussed in the chapter on business impacts, the market-based TCMs involve a higher level of consumer impact. The aggregate costs to drivers could reach \$3 billion per year. The reduced congestion from these revenue measures would provide a benefit of \$1.1 billion per year to drivers in the region. In terms of the out-of-pocket expenses of \$3 billion, though, it would mean an annual expense of about \$1,300 per year per household.¹

Of course, travel patterns vary considerably among households and very few would actually experience the average cost expressed here. It is estimated that poor households accumulate less than half the national average of annual vehicle miles traveled (VMT)², which would suggest that they would be less affected by market-based measures such as the increased gas tax and mileage-based vehicle registration fees. However, it is also true that lower income groups have a higher dependence on older vehicles that run less efficiently and tend to emit higher pollutant levels. All of the market-based measures, except the congestion pricing program and parking fees, are highly sensitive to vehicle performance as well as miles traveled. In Alameda County, where the 1980 percentage of persons in poverty was the highest in the region, the current very low income standard for a family of four is \$23,400.³ If such a family saw its driving expenses increase by \$1,300, it would represent 5.6 percent of its gross income. This would be considered a significant adverse impact on the cost of living for low income residents. In comparison, the financial impact of the market-based measures would be about 2.5% of the average household income in the region.

These costs function as transfers within society to individuals willing and able to adjust their travel patterns to increase use of transit modes, as well as helping to enhance the general quality of life through improved air quality. To the extent that low income residents are able to make these adjustments, the financial impact of the market-based measures can be avoided. As the NEDLC report concludes, "efforts intended to reduce congestion and gridlock must be accompanied by efforts to improve operations of the public transit system, which is disproportionately used

¹ Based on 2,284,080 households in the region in 1990 as estimated by ABAG.

² National Economic Development and Law Center (NEDLC), Communities at Risk, Regional Transportation Issues in the Bay Area: The Concerns of Communities of Color and Low Income Neighborhoods. 1990.

³ Data provided by Eric Uranga, Alameda County Planning Department.

by minorities and the poor." It is in this vein that the timing of the mobility improvements and the market-based measures is critical. The current capacity of the transit system is not adequate to mitigate the impacts of the market-based measures. In terms of other mitigation avenues, it has been proposed on a statewide level to accompany policies that use a market-based approach to pricing auto transportation facilities with an income tax transportation credit, similar to the renters' credit currently allowed by the state. Through this mechanism, the impact of these kinds of measures could be reduced for economically disadvantaged groups."

- o Page 7, second bullet, second sentence, of the Socioeconomic Report will be revised as follows:

Spread across all households in the region, this is estimated to increase the cost of living for poverty-level households by nearly 6 percent of their gross income, compared to 2.5 percent for average-income households.

4. LIST OF LETTERS

4. LIST OF LETTERS

<u>Organization</u>	<u>Author</u>	<u>Date</u>	<u>Letter Number</u>
STATE AGENCIES			
Air Resources Board	William W. Sylte	August 19, 1991	A-2
LOCAL AGENCIES			
Town of Danville	Gary V. Patton	August 19, 1991	B-1
AC Transit	Kenneth O. Stanley	August 19, 1991	B-5
INSTITUTIONS AND ORGANIZATIONS			
Urban Ecology	Gary Farber	August 18, 1991	C-5
National Association of Industrial and Office Parks	Beverley B. Bryant	August 19, 1991	C-6
Pacific Gas and Electric Company	John F. McKenzie	August 19, 1991	C-7
Alameda County Economic Development Advisory Board	Ignacio De La Fuente	August 19, 1991	C-8
Santa Clara County Manufacturing Group	Carl Guardino	August 16, 1991	C-12
Citizens for a Better Environment	Julia May	August 19, 1991	C-13
Southland Mall	David Brown	August 19, 1991	C-14
Bay Area Council	Steve Heminger	August 16, 1991	C-16
League of Women Voters of the Bay Area	Adelia Sabiston	July 24, 1991	C-23
TRANSCRIPTS			
BAAQMD Board of Directors Meeting		July 24, 1991	E-2

5. COMMENTS AND RESPONSES

5. COMMENTS AND RESPONSES

AIR RESOURCES BOARD

1102 Q STREET
P.O. BOX 2815
SACRAMENTO, CA 95812



August 19, 1991

Mr. Henry Hilken, Planner
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

Dear Mr. Hilken:

I am writing in regard to the Socioeconomic Report for the Bay Area 1991 Clean Air Plan. The Report provides an overview of the economic effects of implementing control measures proposed in the plan. It is of considerable help in understanding the costs and, to a lesser extent, the benefits of the District's plan.

The following comments are provided to strengthen what is generally a satisfactory assessment.

Recognizing the Dollar Benefits of Less Driving

All of the transportation control measures (TCMs) are designed to decrease the use of the car, which could significantly reduce vehicle miles travelled (VMT). Each mile that is not driven represents a real monetary savings to a driver. At a minimum, this includes the incremental cost of operating a car (gasoline, mileage related maintenance, tire wear, etc.), which is estimated to be about \$0.10 cents per mile. For each million daily VMT reduced this amounts to a savings of \$25,000,000 per year ($\$0.10 \times 1,000,000 \text{ vmt/day} \times 250 \text{ workdays/year}$). Inclusion of this benefit could substantially improve the economics of the TCM measures.

Treatment of "Social Transfers"

The largest expenses in the plan are the \$1.46 and \$3 billion dollar costs associated with parking charges and market-based TCMs. The text correctly identifies these as "social transfers" - one segment of the public (drivers) will pay, while other sectors (business, government or those that use transit or carpools) will benefit.

However, in the summary table and through much of the text only the costs of these measures are shown, leaving the impression that these measures will have a multibillion dollar net cost to the region. This needs to be corrected and explained in the same manner as TCMs 3 - 15. For these latter TCMs, costs are appropriately shown as social transfers and the benefits are shown in terms of job creation.

A2-S1

A2-S2

Similarly, the direct benefits of parking fees and other charges should be shown. This can be accomplished by making assumptions about the costs of administering TCMs and about the redistribution of remaining funds. For example, it could be assumed that 80 percent of the funds would go to government to fund transportation projects and services, and 20 percent to mitigate adverse impacts on low income people who still must drive.

Discussion of TCM Impact on Low Income Groups

The impact of market-based TCMs and parking charges on low income people is a real concern that should be addressed in this report. However, the rather simplified discussion, which computes average costs and then assumes that low income households will bear those average costs, is not realistic. Auto use is a function of household income. This is especially true of long distance commuters, the group that would pay the most under a market-based strategy.

Additionally, lower income households are more likely to currently use transit or carpooling or will shift habits (by necessity) and become the beneficiaries of either more accessible transit, or the lower cost of carpooling. Therefore, the absolute dollar cost of market-based strategies is likely to be significantly greater on middle and higher income groups than on lower income households. (This may not be true on a percentage basis.)

The report should provide an improved analysis of these issues as well as options for minimizing adverse impacts on lower income groups.

Miscellaneous Changes to Table 1

The report includes an analysis of the economic effects of improved health conditions (page 37) resulting from implementing the control measures. However, Table 1 does not include the estimated annual monetary benefit of these improved conditions estimated by the American Lung Association to be \$2.1 billion (1988 dollars). This benefit needs to be included in the table.

It is shown in Table 1 that commuters will incur a cost of \$1.46 billion under Phase 3 TCMs. Based on the discussion of these costs on page 45 of the report, the administrative costs to business and industry (\$150 million) and government (\$5 million), which are also shown in Table 1, are duplicating costs included within the \$1.46 billion.

The report states on page 3 that for unquantified impacts the table displays symbols indicating whether the effects are beneficial or negative and their "relative severity." Unfortunately, the report does not, yet should discuss the process by which the evaluations were made and the criteria used to base determinations of effect and severity.

August 19, 1991

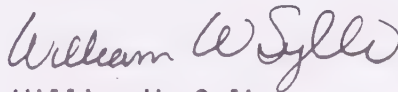
A2-S7

Finally, as my staff discussed with you previously, the \$1.1 billion shown as costs to commuters for TCM 22 should be shown as a benefit.

Again, I want to congratulate the District staff on having prepared an extensive evaluation of the socioeconomic impacts of your plan. This effort is important to conduct, so that decisionmakers have accurate information about the costs and benefits of their actions. Also, this effort is unusual among districts throughout the state and will undoubtedly be used by others as an example of how to conduct such an analysis.

If you have any questions regarding this letter, please call me at (916) 322-2890, or Patrick Nevis, San Francisco Bay Area District Liaison, at (916) 323-7560.

Sincerely,



William W. Sylte
Chief Deputy Executive Officer

cc: Jan Bush, BAAQMD
Tom Perardi, BAAQMD
Lawrence Dahms, MTC
Chris Brittle, MTC
Eugene Leong, Association of Bay Area Governments
Roberta Hughan, Member, BAAQMD Board
John Lagarias, ARB Board Member

**Response to Comment
Letter A2**

- RESPONSE A2-S1 The comment is correct that reduced VMT would result in lower aggregate costs for vehicle operations. However, due to potential changes in the cost relationships between auto use and alternative modes once the mobility improvements have been implemented, quantification of such trade-offs has not been attempted in the report.
- RESPONSE A2-S2 The employment benefits of TCMs 1 and 2 are small, but they are discussed on p.19 of the report. Aside from vehicle operations saving mentioned above, the only quantifiable benefits are the travel time savings shown in Table 1. Other benefits of clean air have not been quantified or shown for any of the CAP measures. However, the types of benefits are shown with their nominal magnitudes under the heading "General CAP Impacts" in the bottom portion of Table 1. A comprehensive mapping of dollar flows for all CAP measures, which would be necessary to show the full relationship of costs and benefits, was not undertaken in the report because the measures are not sufficiently defined to make such assumptions.
- RESPONSE A2-S3 The report concurs with the general conclusion of the comment and cites reports indicating that low-income residents use transit at a greater rate than other income groups (page 46). However, the data are not sufficient to assign a distinct portion of the costs to any particular income group.
- The primary options for minimizing impacts to low income groups involve greater transit availability and subsidies for transit use. The report also identifies the option of a transportation credit against income taxes as a means of achieving further equity in the implementation of cost pricing measures (page 48).
- RESPONSE A2-S4 The health cost benefit estimate cited in the comment was not included in the table because it does not correspond to the measures proposed in the CAP. The \$2.1 billion in cost savings was estimated for 1988 conditions assuming a different set of air quality controls aimed at different pollutants.
- RESPONSE A2-S5 The administrative costs for this program are shown as a separate item because it is possible certain employers would incur these costs in Phase 1, but wait until Phase 3 to impose the employee parking charges. While the parking charges could pay for the administrative costs, in fact, they may not do so in the early years of the CAP.
- RESPONSE A2-S6 The relative severity of the nominal impacts and benefits designations is judged in relation to their similarity to the quantified impacts. For

example, the employee parking fees and the market-based measures are generally high cost impacts. The proportion of impact to low income residents has not been estimated, and as discussed in the report and in a number of public comments on the report, there are a number of reasons to believe low income residents would not experience the brunt of the impact of these measures. Yet the possibility exists that the impacts would be acute in certain cases where low income persons cannot avoid substantial driving. For this reason, these impacts were assigned a maximum nominal impact designation (---). On the other hand, the magnitude and likelihood of impact TCM 18 on housing production is small in the regional context and it is assigned a low benefit designation.

RESPONSE A2-S7

The comment is correct. Text will be changed accordingly (see revised Table 1 in Chapter 2 of this document).



August 19, 1991

Bay Area Air Quality Management District
Attention: Henry Hilken
939 Ellis Street
San Francisco, California 94109

Subject: Draft EIR for 1991 Bay Area Clean Air Plan

This correspondence will constitute the Town of Danville response to the Draft EIR (DEIR) for the 1991 Bay Area Clean Air Plan (CAP).

4.1 - AIR QUALITY

Adequacy of mitigation measures for Transportation Control Measure (TCM) 10 and measure H3 requires specific monitoring. A mitigation monitoring program is not included in the DEIR.

Additionally, the DEIR does not indicate how BAAMQD will require installation of tailpipe catalytic converters on clean fuel vehicles burning methanol.

4.2 - TRANSPORTATION

TCM 2 will potentially require expenditure of large amounts of time and effort on the part of local jurisdiction staff. How will local jurisdictions pay for this effort?

Charging for parking is reasonable only if there is a viable alternative to solo commuting. If an employer is poorly served by transit, how can parking charges as a trip reduction measure be justified?

TCM 8 would have significant impacts on Town resources. There would be administrative costs of implementing mitigation measures as well as LOS impacts on Town circulation systems. Additionally, how are cities expected to allow park and ride facilities when they may be in conflict with existing land uses?

Long range implications include Town expenditures to mitigate impacts created by implementation of CAP mitigation measures. How is this is an achievable mitigation measure without funding sources?

TCM 11 will result in unacceptable intersection operations near freeway interchanges. How will local jurisdictions reconcile requirements to maintain acceptable levels of service with adverse impacts of ramp metering at intersections? Additionally, how will

B1-1

B1-2

B1-S1

B1-3

B1-S2

B1-4

B1-S3

B1-5

B1-1

B1-6 local governments realistically fund additional traffic control devices?

B1-S4 TCM 18 will have significant impacts on local economic development opportunities. How are local governments expected to comply with the measures outlined if they have an adverse impact on local shopping districts?

B1-S5 TCM 22 will increase the cost of doing business in the Bay Area. How will the Bay Area remain competitive, given the cumulative impacts of the high cost of housing in discouraging business and industry?

B1-7 4.3 - LAND USE AND PLANNING

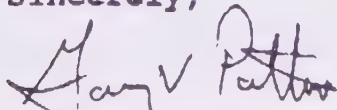
B1-8 The CAP mitigation measure indicates that cities would be encouraged to amend the General Plan and Zoning to allow for mixed use and high density development. What are the penalties for noncompliance or incentives for compliance by local agencies?

B1-S6 The Land Use and Planning overview section states that some control measures in the CAP may have land use impacts that would be considered adverse under CEQA. In order to be considered adequate under CEQA, should there be additional discussion of how cities will implement mitigation measures that may have adverse impacts to the community?

B1-9 4.6 - PUBLIC SERVICES AND UTILITIES
The mitigation indicates that implementation of TCMs would be mitigated to a less than significant level by hiring more employees. What are the funding sources available for cities to offset cost increases? Is the mitigation indicated adequate under CEQA without a clear route of attainment?

Please include the Town of Danville on the agency list when routing the final EIR. If you have any questions, do not hesitate to contact me at 820-1080.

Sincerely,



Gary V. Patton
Senior Planner

Cc: Town Council
Planning Commission
George Sipel
Linda Christman
Kevin Gailey

**Response to Comment
Letter B1**

RESPONSE B1-1	See CAP FEIR Response to Comments document.
RESPONSE B1-2	See CAP FEIR Response to Comments document.
RESPONSE B1-S1	At this time it is assumed that local governments would have to make general fund expenditures for these programs. Depending on the structure of the program, it is possible that cities and counties could require employers to pass on a portion of the employee parking fees to cover government expenses. State funding may also become available for this program through legislation supported by the BAAQMD and MTC.
RESPONSE B1-3	See CAP FEIR Response to Comments document.
RESPONSE B1-S2	The administrative costs of implementing this measure are included in the analysis of impacts to local government in Chapter 5 of the Socioeconomic Report. It is not possible to estimate the fiscal impact on all government jurisdictions in the region. The aggregate impact to local government is not considered to be significant; however, impacts to individual cities may be significant due to local conditions.
RESPONSE B1-4	See CAP FEIR Response to Comments document.
RESPONSE B1-S3	The implementation of some CAP measures and mitigation would require state legislation to provide funding. Local jurisdictions may also need to increase fee-based revenues to meet certain mitigation expenses.
RESPONSE B1-5	See CAP FEIR Response to Comments document.
RESPONSE B1-6	See CAP FEIR Response to Comments document.
RESPONSE B1-S4	It is assumed that local governments will consider existing and desired development when developing local programs. It should be noted that TCM 18 is geared towards high density, mixed use development near transit stations. By promoting increased density, TCM 18 may in many cases increase local economic development opportunities. This is particularly true for shopping centers where the concentration of aggregate purchasing power enhances sales revenue potential.
RESPONSE B1-S5	TCM 22 is scheduled for implementation in Phase 2 of the CAP, which would provide lead time for local industries and businesses to adapt to the new cost structures imposed by the market-based measures. It is anticipated that the cost savings created by improved

mobility and clean air would offset remaining costs due to the measures.

RESPONSE B1-7

See CAP FEIR Response to Comments document.

RESPONSE B1-8

See CAP FEIR Response to Comments document.

RESPONSE B1-S6

Please refer to Response B1-S1.

RESPONSE B1-9

See CAP FEIR Response to Comments document and Response B1-S1.



1600 FRANKLIN STREET, OAKLAND, CALIFORNIA 94612 • (415) 891-4777

Kenneth O. Stanley
 Assistant General Manager
 Service Development & Marketing

August 19, 1991

Mr. Henry Hilken
 Planner
 Bay Area Air Quality Management District
 939 Ellis Street
 San Francisco, CA 94109

Dear Mr. Hilken:

AC Transit has reviewed the 1991 Clean Air Plan (CAP) and Draft Environmental Impact Report (DEIR) and has the following comments:

1. Market Based TCMS: The DEIR admits that Market Based Transportation Control Measure (TCM) is the environmentally superior alternative because it would achieve the largest emission reduction in the shortest period of time. Yet this alternative has been relegated to the third phase for implementation after 1997. The rationale for this delay is the need to obtain legislation to implement market based charges and the difficulty in obtaining this legislation. We don't accept this reasoning because:
 - a) Areawide parking fees can be imposed by BAAQMD without additional legislation. In fact, this component of market based charges is one of the few TCM's which the BAAQMD has authority to implement. This component of the TCM (TCM #22) can also be implemented much quicker than most of the other TCM's.
 - b) Other market based changes would require enabling legislation. However, most of the other TCM's would also require legislation at the state or local level.
 - c) None of the TCM's would be implemented overnight. All would be phased in over a period of time. Many require such long lead times, it is unlikely actual implementation, and the benefits that accrue, will occur before 1997. Therefore, there does not appear to be any compelling reason to treat TCM #22 differently from the other phase I and II TCM's which will take as long or longer to implement.

B5-1

B5-2

B5-3

B5-4

B5-5

d) Many TCM's are contingent on new revenue streams. TCM #22 is a source of new revenue. It is unlikely any attempt to generate new revenue will be popular. To expect any TCM contingent on new funding could be implemented prior to 1997 while not considering it possible to do the same for TCM #22 is inconsistent.

B5-S1

e) The likelihood of instituting market based TCM's in the near future can be enhanced, if the revenue generated is used to offset general fund support of transportation expenses. In other words, if other taxes are lowered commensurate to new market based fees, it may be politically feasible to pass supporting legislation in a short period of time. This, of course, does not produce the needed additional revenue to invest in expanded transit. However, diverting highway funds to transit is a concept that is gaining much popularity that could provide the needed revenue.

B5-P

Considering these factors, we urge BAAQMD adopt alternative #3 which would move TCM #22 from phase I to phase III.

B5-6

2. Vagueness of TCM's: The description of some TCM's in the addendum and DEIR is often too vague to determine if the analysis of environmental impacts is reasonable. For example, TCM #5, improve access to rail and ferries, lists a range of access options. One of these is increased parking. If parking is emphasized, the environmental impacts would be considerably different than if transit and bicycle access is emphasized.

B5-7

Similarly TCM #18, zoning for high density near transit stations, would have considerably different impacts based on the supply and price of parking. High density development with a large supply of free parking (as is occurring around the Pleasant Hill and Walnut Creek BART stations) will generate a high number of auto trips with the energy, pollution, congestion and noise impacts that high auto usage creates. If the parking supply is restricted and/or the cost of providing parking is passed onto the user; it is conceivable that a majority of the generated trips would be on foot, bicycle or transit resulting in a whole different set of impacts.

- The EIR should consider different scenarios possible under those TCM's where a range of possibilities exists, assess the impacts and make recommendations based on the scenarios that have the best opportunity to reduce air pollution and other negative environmental effects.
3. Value of TCM's #11 and 12: We question the value of retaining TCM #11 and 12 considering the acknowledgement in the DEIR that these TCM's will result in increased vehicle miles traveled and emissions. Efforts to move traffic smoother may improve the efficiency (i.e. lower emissions) of a particular vehicle, but will also result in an increase of the number and length of vehicle trips. Better these TCM's be modified to apply to transit vehicle and possibly van pools only to provide a means of increasing the average speeds of these high occupancy vehicles.
 4. Significant Irreversible Effects: The DEIR assumes construction projects associated with TCM's such as new rail lines will increase short term energy use. This assumes that development associated with the CAP is in addition to development that would take place anyway. Another possible scenario is that infill development and new transit links would be in lieu of sprawl development and its associated street and highway network. This scenario would result in a net decrease in energy consumption.
 5. TCM #13: The concept of free or reduced fares is appealing - but must not come as the result of increased transit service. People are more likely to choose transit on the basis of service quality (e.g. frequency, span of service, convenience, trip time) and not price. People don't ride infrequent service for free. Therefore, TCM's 3 and 4 must be implemented first or concurrent with TCM #13.

In closing, AC Transit strongly supports efforts to clean up the Bay Area's air. We also have plans for expanding service to increase transit market share in the East Bay. Our biggest concern about the CAP is the lack of revenue for and the lack of statutory authority of the BAAQMD to enforce most of the TCM's. This could render the plan meaningless. For this reason, we feel it is imperative that TCM

B5-8

B5-9

B5-10

B5-P

Henry Hilken
August 19, 1991
Page 4

↑
#22 be a phase I project with the BAAQMD moving ahead with implementing parking fees. Not only is this one of the few TCM's BAAQMD has authority to implement, but implementation of other TCM's become possible as a result.

If you have any further questions/or comments, please contact me at 891-4837.

Best wishes,


Kenneth O. Stanley

KOS/RJK/sc

Ref: hhl

**Response to Comment
Letter B5**

RESPONSE B5-1	See CAP FEIR Response to Comments document.
RESPONSE B5-2	See CAP FEIR Response to Comments document.
RESPONSE B5-3	See CAP FEIR Response to Comments document.
RESPONSE B5-4	See CAP FEIR Response to Comments document.
RESPONSE B5-5	See CAP FEIR Response to Comments document.
RESPONSE B5-S1	The comment is noted.
RESPONSE B5-P	See Section 1.2 regarding comments on the CAP.
RESPONSE B5-6	See CAP FEIR Response to Comments document.
RESPONSE B5-7	See CAP FEIR Response to Comments document.
RESPONSE B5-8	See CAP FEIR Response to Comments document.
RESPONSE B5-9	See CAP FEIR Response to Comments document.
RESPONSE B5-10	See CAP FEIR Response to Comments document.
RESPONSE B5-P	See Section 1.2 regarding comments on the CAP.



URBAN ECOLOGY

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For information about the
newsletter purposes only

August 18, 1991

Paul Cooper, Chairperson
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

RE: DRAFT BAY AREA '91 CLEAN AIR PLAN & DRAFT E.I.R.

Dear Mr. Cooper;

Urban Ecology has had an opportunity to review the above-named documents, and submits the following comments for your consideration. We are a nonprofit public interest group headquartered in Berkeley, with approximately 350 members in the Bay Area.

NOTE: Urban Ecology was erroneously informed by BAAQMD public information personnel that the deadline for comments for both the Plan and the D.E.I.R. is August 19. We would appreciate your consideration of all of our comments in spite of missing the Plan comment deadline.

1. MARKET-BASED PRICING

Urban Ecology supports actions and programs that encourage a wide variety of alternatives to automobiles; from walking to mass transit. One of the best tools for achieving a large mode shift has the added benefit of making the transportation system more equitable: the reduction or elimination of subsidies to automobile users. The huge current subsidies promote the construction and use of a transportation system wasteful of energy and land and unhealthy in its pollution. The subsidies are also unfair in that people who don't use the subsidized system are subsidizing those who do use it.

Subsidies to auto users ensure that there will be a vast constituency to maintain the auto-centered system at the expense of alternative land use and transportation systems. We understand that because there is a vocal group who want their subsidies to be maintained, the BAAQMD is hesitant to quickly establish some of the market-based TCMs over which it has authority (namely auto parking pricing and supply). The opinion of those demanding retention of auto subsidies should be discounted in comparison to those that ask for auto users to pay their own way. It is not equitable to force those who don't drive, and those who drive infrequently, to help pay the day-to-day costs of driving, as well as suffer from the auto-related "externalities" We urge the BAAQMD to adopt a plan which calls for the speedy elimination of all automobile subsidies.

The D.E.I.R. identifies the "Accelerated Market-Based TCM" Alternative as the environmentally preferred plan "because it would achieve larger emission reductions earlier..."¹ The Plan and the D.E.I.R. justify a delay of ALL Market-Based TCMs due to a suggested lack of legal authority by the BAAQMD to enact these measures. However, the Plan clearly indicates that the BAAQMD has the authority to regulate parking management², and the CARB has identified

¹ '91 CAP Draft E.I.R., Vol. 1, July 1991, page 2-9.

² '91 Draft CAP, April 1991, page 59; Addendum to Draft CAP, June 18, 1991, page 7.

URBAN ECOLOGY

DRAFT BAY AREA '91 CLEAN AIR PLAN & DRAFT E.I.R.

C5-S1

"Parking Supply & Pricing Management" as a "reasonably available" TCM³. Given the D.E.I.R.'s findings on the preferred alternative, Urban Ecology and all citizens who care about air quality and more a equitable economic system, expect the Final Plan to include the Parking Management TCM in Phase 1.

C5-2

The elimination of motor vehicle subsidies could have some negative consequences upon lower income and fixed income groups. The program should strive to be revenue neutral overall. Particular mechanisms to consider include: Parking fees could be offset by a mandatory transportation allowance, paid by the collector of the parking fees. All employees should receive an equal allowance, regardless of their transportation situation. Perhaps the allowance could be phased out over time. Pollution fees, fuel taxes, etc., should be offset by reductions in the general taxes currently used to provide the subsidies. To offset increased transportation costs to very low income individuals, a negative income tax may be necessary.

2. HOV LANES (resulting in highway expansion) & ARTERIAL IMPROVEMENTS (TCMs 8, 12)

The Plan and D.E.I.R. assume that these measures will reduce auto-related pollution by reducing traffic congestion. The plan and D.E.I.R. ignore the fact that studies of constructed projects consistently show that increased arterial and highway capacity lead to more auto use⁴. Traffic on expanded road systems should be expected to attain the pre-expansion levels of congestion over time, but with a greater number of vehicles. Therefore, TCMs 8 and 12 are counter-productive. Even if land-use and other controls could somehow eliminate any increases in auto usage, using highway expansions and arterial improvements to reduce traffic congestion must be honestly compared to the traffic reduction potential, total costs, and resource efficiency of transit alternatives.

C5-3

3. COMMENTS ON OTHER TCMs

3A. TCM 4: Where additional rail facilities are tied into the construction of new highways, there may be no air pollution benefit (see comment no. 2 above).

C5-P

3B. TCM 5: More auto parking at transit stations will exacerbate local air pollution. Instead, regional agencies should direct money into helping to build housing near the transit terminal (for those that want to use public transit).

3C. TCM 18: To ensure that high density housing built near transit stations is in fact occupied by those who want to use the public transit regularly, and to reduce opposition to the housing based on traffic concerns, limit the amount of auto parking allowed at these sites. Of course, secure weather-protected parking should be provided for bicycles and motorized carts (see discussion on carts below).

4. ADDITIONAL TCMs FOR CONSIDERATION IN THE FINAL CAP

4A. The Plan should analyze the extent that lightweight motorized carts, as well as a wider array of bikes (including adult tricycles and bikes with trailers) can be

³ '91 CAP Draft E.I.R., Vol. 1, July 1991, pages 4.2-12 and 4.2-13.

⁴ "Does Free-flowing Traffic Save Energy and Lower Emissions in Cities?", P.W.G. Newman, J.R. Kenworthy, T.J. Lyons, Search Sept./Oct. 1988. The authors' analysis of several cities has determined that implementing measures designed to promote "free-flowing traffic does not lead to savings in fuel or time, or lowering of emissions in a city overall." This is because these measures induce more dependence upon the auto.

URBAN ECOLOGY

DRAFT BAY AREA '91 CLEAN AIR PLAN & DRAFT E.I.R.

useful for intra-city trips. Improvements to residential streets can be made (i.e. "traffic calming" measures) that improve safety for bicyclists, and make the use of light-weight electric cars more practical. The street system would be modified if necessary to provide safe direct access by bikes and carts to commercial areas and to public transit stations. Because electric cart trips would typically be short, fast speed is unnecessary. This proposal could be incorporated into TCM 20.

(NOTE: carts are advantageous in terms of energy, air pollution, noise, resource consumption, space, and ownership/operating costs when compared to automobiles. Carts are now widely used in the City of Avalon, CA; the City of Palm Desert is planning a comprehensive near-term program to encourage electric carts for intra-city trips⁵)

4B. Impose parking fees for all automobile parking at transit stations. Currently, non-auto using transit users subsidize those who use the parking facilities. To mitigate against the parking fees reducing transit patronage, the fees should be set lower than other commuter parking. The collected parking fees should mandatorily be used to reduce transit fares for all patrons.

4C. The current BART fare structure is set up for one-stop commute trips, not for multiple-stop (in same direction) trips that are more likely for shopping, pleasure, etc. Institute a reduced fare for additional trips made in the same direction on the same day. (The BART system is focused on serving commuters. This encourages people to continue owning and using automobiles for other trips, which make up the great majority of VMT). This measure should also be applied to any other transit operator with rates that discourage multiple stop trips.

4D. Parking Management ought to include the following in addition to pricing mechanisms:

1. Limit the total number of parking spaces that may be constructed per development to an amount that will accommodate the number of vehicles expected assuming the modal shift necessary to solve the Bay Area's air pollution and traffic problems.
2. Encourage or mandate that new parking be provided in centralized, consolidated municipal facilities. Consolidated parking would have many parking management, access, and land use efficiency benefits.

4E. The Plan and D.E.I.R. omit automotive diurnal emissions as a large source of hydrocarbons⁶. Reducing the number of automobiles is a direct way to achieve reductions in diurnal emissions. The plan should address measures that would encourage an absolute reduction in the number of autos in this region.

4F. Non-commute trips make up about 3/4 of all Bay Area VMT. The economics of auto ownership are such that while the total ownership and operational cost is high, the marginal per trip cost is relatively low. If a wide array

⁵ CITY OF PALM DESERT GOLF CART TRANSPORTATION PILOT PROJECT: John Wohlmutz, Environmental Conservation Manager, City of Palm Desert 73-310 Fred Waring Drive Palm Desert, CA 92260 (819) 346-0611

⁶ Hydrocarbons per day for single 20 mile round trip (10 miles each way, which is about Bay Area average for commuting), in Grams:

Start	10.8	34.5%
Running	9.8	31 %
Finish	6.0	18 %
Diurnal	6.8	18.6%

Source: Bill Loudon, 8/25/91, JHK & Associates (JHK is MTC's consultant on RTP EIR)

URBAN ECOLOGY

DRAFT BAY AREA '91 CLEAN AIR PLAN & DRAFT E.I.R.

C5-5

of less expensive transportation alternatives is provided to people, many may be willing to not own a car. In addition to many of the TCMs in the Plan and listed above, another inducement to give up personal car ownership would be the wider availability of auto rental agencies close to where people live; thus providing autos for those occasional trips where an auto is considered to be the best choice.

C5-P

4G. The Plan and D.E.I.R. does not deal with aircraft and ships (including ferries) as mobile sources. Not only should mitigations to air pollution from these sources be instituted, but rail transportation should be evaluated as a possible preferred alternative based on air pollution, energy-efficiency and other environmental measures.

C5-S2

5. OTHER Draft CAP NOTES

5A. The Plan (page 6) states that "... we experience clear air most of the time." This statement evidently concerns Criteria Pollutants, and not Toxic Air Contaminants. This should be clarified.

5B. The plan blames increased driving on "affluence and mobile lifestyles". This neglects the important contributors to auto dependence which need to be recognized: land use, transportation infrastructure, subsidies and "forgiven" costs.

C5-6

6. OTHER Draft E.I.R. NOTES

6A. The BAAQMD and the public should not consider market-based pricing as an increase in costs, but as a reduction in subsidies. In other words, increases in user fees should be offset by reductions in other costs, including general taxes if warranted.

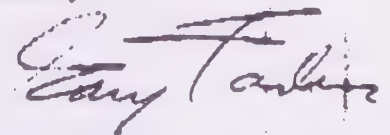
C5-7

6B. In addition to improvements in bicycle access and bicycle parking, traffic and parking impacts around transit stations can be reduced by accommodating small motorized carts (see 4A above).

6C. Place a high priority on using non-diesel busses on bus routes which share roads with designated bicycle routes.

With the inclusion of the points above, the '91 CAP offers a chance to accomplish real improvements for Bay Area air quality, as well as improve the traffic mess. Thank you.

Sincerely,



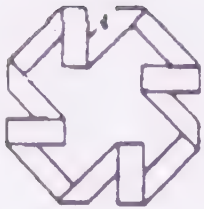
Gary Farber
for URBAN ECOLOGY

cc: Mr. Henry Hilken, Planner, BAAQMD

NOTE: Correspondence on the above matter should be directed to:
Gary Farber 1635 McGee Ave. Berkeley, CA 94703 (415) 464-8087

**Response to Comment
Letter C5**

RESPONSE C5-P	See Section 1.2 regarding comments on the CAP.
RESPONSE C5-1	See CAP FEIR Response to Comments document.
RESPONSE C5-S1	Comment noted.
RESPONSE C5-2	See CAP FEIR Response to Comments document.
RESPONSE C5-3	See CAP FEIR Response to Comments document.
RESPONSE C5-P	See Section 1.2 regarding comments on the CAP.
RESPONSE C5-4	See CAP FEIR Response to Comments document.
RESPONSE C5-5	See CAP FEIR Response to Comments document.
RESPONSE C5-S2	Comment noted.
RESPONSE C5-6	See CAP FEIR Response to Comments document.
RESPONSE C5-7	See CAP FEIR Response to Comments document.

**naiop****National Association of Industrial
and Office Parks****Silicon Valley Chapter**

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Monday, August 19, 1991

Mr. Henry Hilken, Planner
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Dear Mr. Hilken:

The Silicon Valley Chapter, National Association of Industrial and Office Parks (NAIOP), submits the following comments on the Draft Environmental Impact Report (DEIR) for the Bay Area 1991 Clean Air Plan (CAP).

NAIOP is the leading forum for the exchange of ideas and legislative involvement in the industrial and office real estate development field. The Association includes 5,000 firms throughout the country. The Silicon Valley Chapter, with 151 members, ranks 8th in size of the nation's 69 NAIOP chapters. For the past three years, our Chapter members have monitored the development of the 1991 Clean Air Plan. NAIOP directors and staff have actively participated in meetings of the Metropolitan Transportation Commission's Transportation Control Measures Work Group, have testified at an estimated 23 public hearings throughout the Bay Area, and have worked with staff and public officials to communicate our interest and concern with these issues. NAIOP is one of the founders of the Business Air Quality Policy Committee (BAQPC), which has effectively analyzed and articulated the views of over 1000 Bay Area private employers about proposed Clean Air programs and policies. Our comments focus on five major points:

(1) The Analysis of the Market-Based Transportation Control Measures contained in the Draft EIR's is not complete:

a) The discussion has not been developed; alternative charts, such as those that have been drafted concerning emission reduction for reactive organic gas (Table 6-4), are not presented for the Accelerated Market-Based TCM's in Section 6.

b) The description of the Alternative Market-Based TCM's on page 6-15, seeks to package the parking fees, making the assumption that these would all be imposed simultaneously and concurrently. Previous discussions with employers have demonstrated that alternatives to mandatory fees may be developed. There has been speculation by official sources that non-working parking fees

C6-1

C6-2

C6-3

		(shopping centers / retail areas) may not even be necessary. NAIOP believes that the DEIR presentation of information about the parking charges, which are only one element of the Market-Based TCM's, appears suspiciously as a "scare tactic."
C6-4	(2)	<u>The indirect source rules presented in the Clean Air Plan will be very difficult, if not impossible, to administer.</u> If the Bay Area's non-attainment status for clean air preexists new development, it is impossible to show a connection between new development and the need for mitigation of new projects. It is NAIOP's understanding that on July 24, 1991, the Building Industry Association submitted formal legal opinion on this issue to the Air District.
C6-5	(3)	<u>The DEIR clearly stated on page 2-9 that "the 'Accelerated Market-Based Alternative' was selected as the environmentally superior alternative because it would achieve larger emission reductions earlier, thereby reducing the exposure of the population to high levels of ozone sooner." NAIOP members are unable to understand why the DEIR then dismisses this strategy, saying that "this alternative is very unlikely to be possible to implement." NAIOP members strongly disagree and request that the DEIR be changed, for these reasons:</u> * The Business Air Quality Policy Committee, which has been working with key members of the State Legislature on these issues, believes that there is sentiment for immediate change in the laws. * Until all legislative remedies are exhausted, NAIOP believes that the imposition of strategies other than the admitted "superior alternative" of Market-Based TCM's is unfair to the people and businesses of the Bay Area.
C6-S1	(4)	<u>The costs to Bay Area businesses of the proposed Transportation Control Measures, without the implementation of the Market-Based Alternative Strategy, is enormous.</u>
C6-S2	(a)	The imposition of additional layers of governmental approvals and regulations will drive the cost of doing business so high that businesses will leave California.
C6-S3	(b)	There is considerable evidence that the removal of business from California is already underway. The August 18, 1991 <u>San Jose Mercury News</u> front-page story documents the spiraling effect of government regulations, and the subsequent removal of manufacturing jobs from our state.

- (c) Market-Based Strategies offer a sensible alternative in which the citizens of the Bay Area, through the imposition of taxes and tolls, can participate in the programs to clean our air.
- (5) Market-Based Alternative Strategy, if implemented properly, will provide revenue for mass transit projects, which would be developed concurrently with the collection of fees.
 - (a) The DEIR (p. 6-16) assumes that mass transit projects could not be put in place until all fees were collected. The experience of Measure A programs in Santa Clara County defies this. Transit projects are being built concurrently with fee collection.
 - (b) Creative solutions to faster construction and implementation of transit programs and facilities would be found once funds are made available.

C6-S4

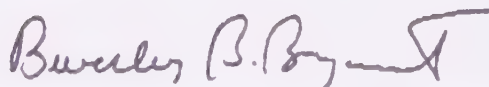
C6-S5

C6-S6

C6-S7

NAIOP members appreciate the opportunity to comment on the Draft EIR for the Clean Air Plan. We hope that our comments will be thoroughly investigated and addressed in the final copy of the Environmental Impact Report for the 1991 Bay Area Clean Air Plan.

Sincerely,



Beverley B. Bryant, Executive Director
Silicon Valley Chapter, NAIOP

**Response to Comment
Letter C6**

RESPONSE C6-1	See CAP FEIR Response to Comments document.
RESPONSE C6-2	See CAP FEIR Response to Comments document.
RESPONSE C6-3	See CAP FEIR Response to Comments document.
RESPONSE C6-4	See CAP FEIR Response to Comments document.
RESPONSE C6-5	See CAP FEIR Response to Comments document.
RESPONSE C6-S1	<p>As noted in the Socioeconomic Report, Bay Area businesses would incur costs as a result of the implementation of the TCMs. It is important to note, however, that business would also accrue significant benefits as a result of improved mobility. Most of the costs to businesses associated with the non-market-based TCMs are expected to result from TCM 2, Employer-Based Trip Reduction. The CAP proposes to provide employers options for complying with TCM 2. As proposed, the District will set performance standards for compliance with the employer-based trip reduction program. Employers would then have the option of charging employees for parking and/or implementing other trip reduction efforts to comply. Employers could recover administrative costs of the program through parking fees.</p>
RESPONSE C6-S2	The comment is noted.
RESPONSE C6-S3	The comment is noted.
RESPONSE C6-S4	The commenter's support for the market-based measures is noted.
RESPONSE C6-S5	<p>The District agrees that the market-based measures will provide much needed revenue for mobility improvements. As noted in the Final CAP and the Introduction to this document, the District now proposes to pursue legislative authority for market-based measures in Phase 1. Because of the time required for the legislative process, we do not anticipate implementation of market-based measures until Phase 2. The District agrees that to the extent feasible, imposition of market-based fees and provision of mobility improvements should proceed concurrently. Therefore, as proposed, the market-based TCMs would begin with low fees. Revenue from market-based TCMs would be used to fund transportation improvements and to address equity impacts. The market-based fees would increase as transportation improvements became more available.</p>
RESPONSE C6-S6	The comment is noted.

RESPONSE C6-S7

The comment is noted.

Pacific Gas and Electric Company

P.O. Box 7640
San Francisco, CA 94120
415/972-6901
Telecopy 415/972-9201

John F. McKenzie
Director
Environmental Planning

August 19, 1991

Henry Hilken, Planner
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Dear Mr. Hilken:

Subject: Draft Environmental Impact Report
and Socioeconomic Report for the
Bay Area Clean Air Plan

PG&E appreciates the opportunity to comment on the Draft Environmental Impact and Socioeconomic Reports for the Bay Area's Clean Air Plan (CAP). We wish to compliment the staff of the Bay Area Air Quality Management District on its preparation of these comprehensive documents. While we have already transmitted our specific concerns relative to some of the oxides of nitrogen control measures in the CAP, we nonetheless believe that the CAP will generally enhance the quality of life and long-term economic vitality of the Bay Area. We offer the following comments.

Table 2-1 (pages 2-10) in the Executive Summary states that in order to mitigate the expected increased use of diesel buses, "Methanol-fueled or electric buses would be used where transit districts determined they were feasible." PG&E advocates the increased use of compressed natural gas (CNG) as a clean air vehicle fuel in buses, as well as in other types of vehicles. There are approximately 700,000 CNG vehicles in existence worldwide. Of these 700,000, approximately 30,000 are in the United States. In California there are currently 11 transit buses and 10 school buses fueled by CNG. CNG then is clearly a feasible candidate to replace higher emitting fossil fuels until electric vehicles are perfected. By January 1992 we anticipate there will be over 100 school buses fueled by CNG in our service territory (i.e. Northern and Central California). Presently, PG&E has 9 CNG refueling stations in the Bay Area. We are currently planning to open 6 more Bay Area CNG refueling stations by the end of 1991. Therefore, we request that compressed natural gas be included in the listing of viable alternative fuels for buses.

C7-1

C7-2



Page 4.7-8 of the Draft Environmental Impact Report (DEIR) states "... however CNG engines have less power than gasoline engines." While it is true that gasoline vehicles converted to run on compressed natural gas generally exhibit a slight power loss, it is not true for vehicles designed to be run exclusively on compressed natural gas. We request that this distinction be made.

C7-3

On page 4.7-5 of the DEIR the point is made that California is overly dependant on oil. We wish to clarify that California's electric utilities are not overly dependant on oil as a fuel source. In PG&E's case our electric resource mix is the most diverse of any electric utility in the country. It consists of hydroelectric, pumped storage, nuclear, geothermal, wind, and purchased power, as well as traditional oil/gas-fired electric generating sources. Our primary and preferred fossil fuel is natural gas produced in North America. Our use of oil is normally limited to periods of gas curtailment or for economic reasons.

C7-S1

Pages 3, 19, and 45 of the Socioeconomic Report reference employer-based trip reduction programs. From PG&E's perspective, such programs appear that they would be more easily implemented at our downtown San Francisco and Oakland offices. We believe it could prove more difficult to implement such programs at our outlying offices and more rural Bay Area facilities, which are currently not adequately served by mass transportation, and where our employees may live in widely disbursed areas, making it difficult for them to carpool or utilize alternative methods of commuting.

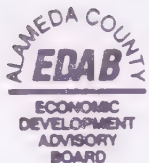
Please contact me if you have any questions or concerns about our comments.

Sincerely,

A handwritten signature in dark ink, appearing to read 'H. Hilken'.

**Response to Comment
Letter C7**

RESPONSE C7-1	See CAP FEIR Response to Comments document.
RESPONSE C7-2	See CAP FEIR Response to Comments document.
RESPONSE C7-3	See CAP FEIR Response to Comments document.
RESPONSE C7-S1	The comment is noted. It is the District's intent to frame the employer-based trip reduction rule (TCM 2) in such a way as to provide flexibility for employers in diverse geographic settings. Specific elements of TCM 2 will be developed during the rule making process, which will include public workshops, following adoption of the CAP.

**Alameda County****Economic Development Advisory Board**

August 19, 1991

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Henry Hilken, Planner
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Dear Mr. Hilken:

Subject: COMMENTS REGARDING THE SOCIOECONOMIC REPORT FOR THE
BAY AREA 1991 CLEAN AIR PLAN

The Industry/Government Relations Committee of the Economic Development Advisory Board would like to make the following comments on the Socioeconomic Report for the Bay Area 1991 Clean Air Plan (CAP). The Economic Development Advisory Board was established to promote the economic vitality of Alameda County by working with local government and private sector interests. The program is supported by cities, the County, labor and the private sector in Alameda County.

As part of our review of the Socioeconomic Report, we obtained reports completed by consultants who had worked on the South Coast Air Quality Management District's plan and had follow-up discussions with the consultants to see what they had learned in analyzing that document.

In reviewing the Socioeconomic Report, two major issues concern us. First, the methodology used in preparing the Report does not use a sound baseline of data in estimating the costs and benefits of implementing the CAP. Second, the cost impacts, as well as related benefits, for the public and private sectors have relied on far too many assumptions. In relation to these two issues, we have the following more specific comments:

- Relying on the Association of Bay Area Government's (ABAG) projections for describing the economic structure of the region is misleading because the statistics are based on land use models and do not factor in land use restrictions or other impediments such as infrastructure, housing, etc. Many professionals in the field believe the estimates over-project potential growth. An independent method of evaluation should be used to formulate a picture of the economic structure given that goals for land use are not always achievable as forecasted.

C8-S1

C8-S2

C8-S3

C8-S4

- Many of the costs and benefits are stated as "+" or "-" so it is difficult to determine what the report really shows. First, a "+" may not have the equivalent value of a "-". Second, the ability of specific groups to meet other expectations that have been more clearly quantified is proportional to the extent of the true "+" and "-" costs.

C8-S5

- Construction of the transit improvements included in the CAP are estimated to create 250,000 person years of construction employment (25,000 jobs for ten years). What happens after ten years? The benefit of these temporary jobs could be far outweighed by workforce transition and/or unemployment costs after ten years. Also, are these jobs created anyway with or without the CAP because of the increase in transit investment over the years? If so, the report should be changed to reflect this.

C8-S6

- The estimates for costs and benefits combine dollars and jobs (some of which are not permanent) so the cost/benefit information is misleading.

C8-S7

- The analysis regarding employment does not take into consideration the full impact of costs to society. These include retraining and social costs related to readjustment and unemployment. In relation to this, what analysis has been done to support the assumption that 50% of the jobs lost due to compliance will be replaced by new jobs related to the new control technologies? Even if this occurs, those who lose their jobs may not be those who obtain the new jobs. Training could be needed for both segments of the population thus greatly expanding the cost estimates and placing an added burden on already financially strapped local governments.

C8-S8

- Businesses may have difficulty financing equipment necessary to meet the newly required technology. You have proposed that, as a possible offset, some new business opportunities could develop locally to assist companies in complying with the new control measures. What analysis have you done to support the idea that new local companies would be able to produce the necessary equipment given that transportation equipment manufacturing has seen a decline in the number of employees for 1978-1988 per ABAG? Even if this can be done, there would be costs associated with start-up times therefore new revenues for one company cannot directly translate into offsetting costs for others. Is this another opportunity for technologies to develop outside of the Bay Area at the expense of Bay Area jobs lost due to new requirements?

C8-S9

- Transportation Control Measures could have significant impacts for businesses depending on the elasticity of the market. It appears that further analysis is needed on the potential magnitude of this issue.

C8-S10

- Additional Stationary Control Measures are stated to have modest or unknown cost impacts on electric, gas and sanitary services. It appears that the enactment of the emission minimization management plan (F2) with the intent to freeze allowable emissions at 1987 levels could have significant costs and a greater attempt should be made at quantifying the impacts before any decision is reached on this. The

August 19, 1991

report further states that it appears that this measure would not allow expansion of existing facilities if new development resulted in increased facility emissions of controlled pollutants unless the industry adopted technologies to reduce emissions at existing facilities by an amount equal or greater than the increase resulting from the new development. This could have compounding effects on already unknown costs.

C8-S11

- Compliance costs for the transportation equipment industry total \$8.3 million. The report acknowledges the availability of offsets for purchase by industry but even if offsets are available, the costs of compliance could be very high which could deter future new business investment in the Bay Area whether it be from new businesses or from expansion of existing businesses.

C8-S12

- Finally, the negative impacts have been underestimated given the fact that the Bay Area has only been out of compliance with federal regulations two times in the past year and 14 times with the State regulations. It is the committee's hope that the Bay Area's designation of "severe" be revisited in the form of legislative amendments currently under discussion with the State Air Quality author.

C8-S13

In the meantime, it is critical that you further assess the trade-offs for business, industry and consumer groups in achieving one day of clean air and the ultimate benefits to the people in the area for that day of clean air. A similar analysis should be done for each consecutive day of clean air. This type of analysis would provide you and the public with the information needed to properly evaluate the plans in the arena of costs versus benefits.

Thank you for the opportunity to respond to this report. If you have any questions, please contact me.

Sincerely,



IGNACIO DE LA FUENTE

CHAIRMAN, INDUSTRY/GOVERNMENT RELATIONS COMMITTEE

ID:MO/al/7990c

cc: Don Perata, EDAB Chairman
Members, Board of Supervisors
Members, Industry/Government Relations Committee
Members, EDAB Executive Committee
City Economic Development Directors
Chambers of Commerce Executive Directors
Steven C. Szalay, County Administrator, Alameda County

RESPONSE C8-S1	See Responses C8-S3 through C8-S11.
RESPONSE C8-S2	See Responses C8-S3 through C8-S11.
RESPONSE C8-S3	<p>ABAG projections are not based solely on land use models, but rather they are based on a regional economic model which is then adjusted to reflect local land use policies and impediments such as infrastructure and housing availability. For example, the ABAG employment projections consume only a fraction of the commercial land inventory available. Thus, it is not assumed that economic demand will meet land use goals set by local jurisdictions.</p> <p>It is necessary for the Socioeconomic Report to use the ABAG data and other standard data sources, such as those published by the State Employment Development Department (EDD), in order to provide a consistent basis of analysis for all areas within the region, and also to provide valid comparison with studies done in regard to the Regional Transportation Plan and other regional planning activities.</p>
RESPONSE C8-S4	The benefits and costs that have been designated with a "+" or a "-" have not been quantified, so it cannot be said that a single "+" is exactly equivalent to a single "-." However, the number of pluses and minuses for each measure is intended to indicate the relative strengths of the costs and benefits. The comment is correct that these unquantified measures are very important to the capability of the region to implement the CAP.
RESPONSE C8-S5	The transit improvements proposed in the CAP do overlap with projects identified in the Regional Transportation Plan (RTP). The estimate of construction jobs potential is based on the construction costs for these projects as reported in the RTP DEIR, but under an accelerated schedule as proposed in the CAP. While these jobs are temporary (in the same sense as are all jobs in the construction industry), the analysis of permanent job impacts related both to the TCMs and the SCMs does not suggest that a major economic downturn is imminent when the transit projects are completed and the construction jobs end. Indeed, completion of the mobility improvements would create the opportunity for the regional economy to make a smoother transition toward reducing air pollution.
RESPONSE C8-S6	The Socioeconomic Report is not intended as a cost/benefit analysis. Rather, it presents estimates of costs and benefits that can be quantified given the current specification of CAP measures, and it attempts to show which groups would incur costs and which would enjoy benefits, without netting these impacts out where social

transfers are anticipated to occur. Thus, it is inappropriate to equate the various types of costs and benefits shown in Table 1.

RESPONSE C8-S7

The assumption that new technologies can be provided locally is based on the diversity of industrial capacity in the regional economy. The commenter is correct that those losing jobs may not be able to fill some of the new jobs created by the CAP. State EDD resources and programs would be needed to help retrain workers to meet new job opportunities.

RESPONSE C8-S8

The control technologies are needed to respond to the stationary source measures more than to the TCMs and would not be concentrated in the transportation equipment sector. To a large extent, chemical manufacturing, instrumentation, and precision machinery firms would benefit.

RESPONSE C8-S9

More in-depth analysis of the TCMs would require the following information, which is not currently available:

- o Aggregate costs of transportation experienced by each industry;
- o Price elasticities for intermediate and final products;
- o Typical profit margins for each industry;
- o A regional economic model that dynamically relates the economic sectors to one another.

This last item has been developed for the SCAG region in Southern California, providing the opportunity for more detailed analysis than can be conducted for the Bay Area.

RESPONSE C8-S10

Contingency Measure F2 has been deleted from the CAP. No response necessary.

RESPONSE C8-S11

Table 6 in the report indicates that the \$8.3 million in costs for the transportation equipment sector represents less than one percent of total industry output. There is the possibility that higher costs in this and other business sectors would discourage economic growth, as stated in the comment. The report acknowledges this point on page 30. Over the long term, it is anticipated that the benefits of the CAP would mitigate many of the cost impacts incurred in the regional economy.

RESPONSE C8-S12

Comment noted.

RESPONSE C8-S13

Comment noted.



**SANTA CLARA COUNTY
MANUFACTURING GROUP**

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President

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Working Council Chair
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Sr. Vice President
San Jose Mercury News

August 16, 1991

Mr. Henry Hilken, Planner
Bay Area Air Quality
Management District
939 Ellis Street
San Francisco, CA 94109

Dear Mr. Hilken:

On behalf of the Santa Clara County Manufacturing Group, I would like to take this opportunity to comment on the Draft Environmental Impact Report (DEIR) for the Bay Area 1991 Clean Air Plan (CAP).

By way of reference, the Manufacturing Group is a trade association which was formed 14 years ago by David Packard of Hewlett-Packard. It represents 110 of the larger high tech companies in Silicon Valley, which employ approximately 225,000 area residents.

Pg. 2-9: The EIR clearly states that the "Accelerated Market-Based TCM" is the "environmentally superior alternative." Several questions are raised as to why this approach is not being pursued more vigorously:

1. Implementation of Phase III measures is listed as sometime "after 1997." If Market-based measures are honestly being considered, then why isn't a target date listed for its implementation. "After 1997" could be never, or 100 years from now.

2. The Air District believes that legislative authority to implement Market-based TCM's cannot be achieved at a more accelerated pace. It is the Manufacturing Group's concern that BAAQMD's efforts to find authors in the legislature have been woefully inadequate. The Manufacturing Group and the Business Air Quality Policy Committee's (BAQPC) repeated offers to help the Air District to gain legislative support have been practically ignored. Specifically, the Manufacturing Group would like to know what attempts have been made by the Air District to find legislative authors, what

C12-1

C12-2

C12-1

Market-based measure or measures is the Air District pushing for future legislation, what legislators have been approached, when were they approached, by whom where they approached, and what was the outcome?

C12-3 Pg. 3-12: The EIR states that air quality categories are based on date of projected attainment, rather than by the level of the exceedances. The EIR then contradicts itself in the same paragraph by stating that the "BAAQMD has declared itself as having 'severe' air pollution." This paragraph needs to be corrected.

C12-4 Pg. 3-17: This page of the EIR sites the State air quality standards. These are significantly different than the Federal health-based air quality standards. Why does this difference exist. Is there an assertion by the State, and therefore the Air District, that the Federal standards do not protect public health? If they are in fact health-based, then what specific grounds does the state have for making its standards more stringent? If the Federal standards are sufficient in protecting public health, then why shouldn't the State standards conform to the Federal standards? What is the process for setting the standards under the Federal system and the State system?

C12-5 Pg. 3-21: The second paragraph on page 3-21 states that emissions reductions of as much as 75 percent may be needed to achieve the State ozone standard. In earlier comments, Air District staff has stated that "even a 75 percent reduction in emissions would not attain the standard." How does one account for this contradiction? More importantly, is the standard attainable? What reduction in emissions would be necessary to attain the standard?

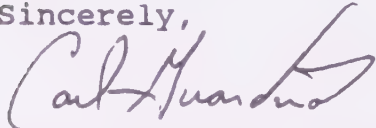
C12-S1 Pg. 3-26: In discussing parking fees, the EIR states that "fees would first be used on-site to provide incentives for ridesharing and transit use." By stating where fees would first be used, implies that down the line they would be used for other purposes. For what purposes, and by whom?

C12-P After careful and thoughtful review of the EIR, it is the contention of the Manufacturing Group that the Accelerated Market-based strategy to relieve traffic congestion and to further improve air quality is the only sound approach to implementing the CA Clean Air Act. With this in mind, the Manufacturing Group

Page Three
DEIR Letter
August 16, 1991

(which has been working with BAQPC) encloses the BAQPC position statement on transportation control measures. The Manufacturing Group continues in its willingness to work with the Air District in seeking legislative support for Market-based measures. We sincerely await your response.

Sincerely,



Carl Guardino, Director
Transportation and Land Use

CG:bf

Enclosure

STATEMENT OF PRINCIPLES ON TRANSPORTATION CONTROL MEASURES
REQUIRED BY CALIFORNIA CLEAN AIR ACT OF 1988

April 17, 1991

.....
C12-P

1. The Business Air Quality Policy Committee (BAQPC) strongly supports the California Clean Air Act's primary goal: continued improvement of the region's air quality. We also consider that goal to be directly linked to reduced traffic congestion, which will facilitate greater personal mobility, more efficient movement of goods, better quality of life, and sustained growth of the Bay Area economy. While the private sector is committed to reducing congestion and improving air quality, those objectives cannot be achieved without a significant expansion of public transit and transportation alternatives.

2. BAQPC also supports the California Clean Air Act's mandate that transportation control measures (TCM's) be evaluated according to "cost effectiveness . . . technological feasibility, total emission reduction potential, the rate of reduction, public acceptability, and enforceability." (Section 40922) Cost effective measures should ensure that the regional economy will continue to grow and prosper.

3. As proposed in the draft Bay Area '91 Clean Air Plan, the initial phase of the TCM element will not achieve a significant reduction in auto emissions. According to the Bay Area Air Quality Management District, Phase I trip reduction and indirect source control programs will reduce emissions by only 2.5%. This failure is attributable to the California Clean Air Act's reliance on employer-based programs affecting only one-fifth of all auto trips in the region.

4. BAQPC has evaluated the Phase I elements of the TCM plan and recommends that the Air District, in its rule development process, adopt the following objectives:

Trip Reduction Rule (TCM 2)

- * Avoid redundancy and conflict with existing Transportation Systems Management (TSM) ordinances and new ordinances required by congestion management legislation;
- * Preserve maximum employer flexibility in meeting trip reduction goals;
- * Rule development workshops must be widely advertised and conducted as genuinely cooperative endeavors.

Indirect Source Rule (TCM 16)

- * Adhere scrupulously to California Clean Air Act's injunction that indirect source control does not constitute "an infringement on the existing authority of counties and cities to plan or control land use" (Section 40716);

BAQPC is a coalition of
business associations and
employers advocating
transportation measures
to improve air quality.

.....
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.....
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Manufacturing Group
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.....

- * Develop practical parameters and sensible attainment goals for the indirect source control program, taking into account criteria such as size, duration, and impact of sources;
- * Cost/benefit analysis in the rule development process must demonstrate the necessity of site design and facility retrofit requirements;
- * Early publication of estimated hydrocarbon reduction resulting from indirect source control.

Public Education Program (TCM 17)

- * Dispel public misconceptions about worsening air quality and role of commute trips in contributing to pollution; emphasize that regional air quality is improving and that non-commute trips contribute significantly to pollution;
- * Stress congestion relief as well as demonstrable health effects of Bay Area auto emissions;
- * Private-public partnership must include shared authority over program content, strategy, and budget.

5. BAQPC believes that a market-based strategy is the most effective means of complying with the California Clean Air Act. A market strategy affects all travel, not just commuters, and the Air District has estimated that it would substantially reduce auto emissions. Accordingly, BAQPC advocates the following market measures: smog fees, enhanced vehicle inspection and maintenance programs, new or higher tolls on bridges and highways, and increased gasoline taxes. Revenue generated by such measures should be used to benefit directly and equitably those paying the fees through timely transportation improvements.

6. BAQPC urges the Air District to take a leadership role in advancing the priority of the market-based approach. BAQPC pledges to work with the Air District and other interested parties in seeking legislative authority to implement the market strategies outlined above.

7. BAQPC further believes that the Bay Area cannot make significant headway toward attaining state ozone standards unless we pursue a market strategy. If the State Legislature is unwilling to authorize such a strategy, then it must amend the California Clean Air Act to redefine the violation of state standards relative to allowable exceedances, expand non-attainment categories, and postpone compliance deadlines. In brief, the Legislature must either allow us an achievable goal and the means to comply with its clean air mandate or revise the mandate itself.

List of Endorsers

AT&T
Bank of America
Bay Area Council
Bay Area Economic Forum
Bay Area League of Industrial Associations
Building Industry Association of Northern California
California Business Properties Association
Campbell Chamber of Commerce
Contra Costa Council
Hewlett-Packard Company
International Council of Shopping Centers
Kaiser Permanente
Marathon U.S. Realities, Inc.
Measurex Corporation
National Association of Industrial and Office Parks
 - Silicon Valley Chapter
New United Motor Manufacturing, Inc.
Oakland Chamber of Commerce
Pacific Bell
PG&E
Public Affairs Council of Santa Clara/San Benito Counties
San Francisco Chamber of Commerce
San Jose Metropolitan Chamber of Commerce
San Mateo County Economic Development Association
Santa Clara County Manufacturing Group
Santa Rosa Chamber of Commerce
Sonoma County Alliance
Sonoma County Manufacturing Group

(partial list)

**Response to Comment
Letter C12**

RESPONSE C12-1	See CAP FEIR Response to Comments document.
RESPONSE C12-2	See CAP FEIR Response to Comments document.
RESPONSE C12-3	See CAP FEIR Response to Comments document.
RESPONSE C12-4	See CAP FEIR Response to Comments document.
RESPONSE C12-5	See CAP FEIR Response to Comments document.
RESPONSE C12-S1	Parking fee revenue may also be used by employers to fund transit improvements or other emission reduction programs which would complement the on-site programs instituted by employers.
RESPONSE C12-P	See Section 1.2 regarding comments on the CAP.

FROM: APOC 8/19/91

DAPCO OF CALIFORNIA

DAPCO OF CALIFORNIA

ADMINISTRATIVE

CHIEF

MANAGER

PLANNER

RESEARCHER

TECHNICAL

STAFF

RESEARCHER

TECHNICAL

STAFF

RESEARCHER



August 19, 1991

Milton Feldstein
Air Pollution Control Officer
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Attn: Henry Hilken, Planner

Re: Comment on Draft Environmental Impact Report (EIR) for the
Bay Area Clean Air Plan (CAP)

Dear Mr. Feldstein:

Citizens For A Better Environment on behalf of its more than 20,000 Bay Area members submit the attached comments on the above-described Environmental Impact Report and Clean Air Plan.

We wish to compliment the staff on its efforts over the last months to put together a comprehensive plan for air quality. We note that there are several important steps taken in this plan, such as NOx controls, refinery regulations, indirect source control requirements, and TCMs which have the potential to make significant breakthroughs in air pollution control.

However, there are serious substantial flaws in the control measure analysis of the CAP and the supporting EIR, which if not remedied, could undermine the success of these efforts and miss important opportunities to protect public health and the environment. The CAP and EIR further appear to have been based upon a socio-economic report that in the opinion of our consultant is one-sided as to costs and benefits, replete with calculation errors, conspicuously understated as to economic benefits from improved public health, and troubling in its gross misjudgment of the impacts upon low-income communities.

The EIR generally fails to properly consider or discuss the following alternatives:

1. An alternative that achieves compliance by 1997;
2. An alternative that adopts all feasible measures producing at least 5% per year reductions in emissions including:
 - a. All measures considered in the development of the Los Angeles Plan;
 - b. Stronger TCMs, including a highway conformity analysis based upon state standards and a strong indirect source control rule that minimizes auto use and its

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C13-1

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C13-1

C13-2

C13-S1

C13-3

Milton Feldstein
August 19, 1991
Page Two

accompanying air and water pollution;

c. Stationary source controls previously suggested by CBE.

C13-4

The EIR further fails to consider stronger mass transit and storm water pollution source controls as mitigation for various impacts of the Plan's alternatives. These mitigation requirements should be added.

C13-S2

The EIR finally fails to address the true costs and benefits of a stronger air pollution plan. We believe a stronger plan will benefit the entire community both economically and through improved public health.

Very truly yours,



Alan Ramo
Legal Director



Julia May
Northern California Air Pollution
Director



Greg Karras, Director
Clean Bays and Coastal Waters Program

EIR COMMENTS BY CITIZENS FOR A BETTER ENVIRONMENT

I. THE EIR MUST FULLY DISCUSS ALTERNATIVES AND MITIGATION AS REQUIRED BY CEQA.

We base our concern about the lack of consideration or public discussion of alternatives in the fundamental precepts of the California Environmental Quality Act. The Environmental Impact Report (EIR) is the heart of the California Environmental Quality Act. Citizens of Goleta Valley v. Bd. of Supervisors ("CGV") 52 Cal3d 553 (Dec. 1990); Laurel Heights Improvement Assn. v. Regents of University of California ("Laurel Heights") 47 Cal.3d 276, 253 Cal.Rptr. 426 (1988). It is the "environmental 'alarm bell' whose purpose it is to alert the public and its responsible officials to environmental changes before they have reached ecological points of no return." County of Inyo v. Yorty, (1973); Laurel Heights, supra.

The EIR's purpose is to inform the public and its responsible officials of the environmental consequences of their decision before they are made. Thus, the EIR "protects not only the environment but also informed self-government." Laurel Heights, supra, 47 Cal.3d at p. 392; CGV, supra, 52 Cal.3d at p. 564.

A. THE CORE OF AN EIR IS THE ALTERNATIVES AND MITIGATION SECTIONS.

The core of an EIR is the alternatives and mitigation sections. CGV, supra, 52 Cal.3d at 564. One of an EIR's major functions is to ensure that all reasonable alternatives to a proposed project are thoroughly assessed by the responsible agency. Laurel Heights, 47 Cal. 3d at 400. In general, an EIR should set forth the alternatives that were considered by the lead agency and rejected as infeasible during the scoping process, and the reasons underlying the agency's determination. CGV, 52 Cal.3d at 567; Laurel Heights, 47 Cal.3d at 404-405.

"The key issue is whether the selection and discussion of alternatives fosters informed decisionmaking and informed public participation. Guidelines Section 15126, subd. (d)(5)." Laurel Heights, 47 Cal.3d at 404 (Emphasis in original).

Without meaningful analysis of alternatives in an EIR, neither the courts nor the public can fulfill their proper roles in the CEQA process. Id. It remains the project proponent's responsibility to provide an adequate discussion of alternatives regardless of whether alternatives are suggested by the public. Laurel Heights, 47 Cal.3d at 405.

B. THE CONSIDERATION OF ALTERNATIVES MUST BE DESCRIBED IN THE EIR AND DISCUSSED IN DETAIL.

Those alternatives considered and rejected and the reasons they were rejected must be discussed in the EIR and in sufficient detail to enable meaningful participation and criticism by the public. Whatever is required to be considered in an EIR must be in that formal

report. What any official might have known from other writings or oral presentations cannot supply what is lacking in the report. Laurel Heights, 47 Cal.3d at 405.

"As we have frequently observed, it is only the EIR that can effectively disclose to the public the 'analytic route . . . the agency travelled from evidence to action.'" Topanga Assn. for a Scenic Community v. County of LA (1974). Quoted in CGV, 52 Cal.3d at 568.

To fulfill CEQA's informational role, the EIR must contain facts and analysis, not just the agency's bare conclusions or opinions. CGV, 52 C.3d at 568; Laurel Heights 47 Cal.3d at pp. 404-405. Conclusionary comments in support of environmental conclusions are generally inappropriate. Laurel Heights, 47 Cal.3d at 404. An EIR must include detail sufficient to enable those who did not participate in its preparation to understand and to consider meaningfully the issues raised by the proposed project. Id. at 405.

"The analysis must be specific enough to permit informed decision making and public participation. The latter function is especially important when, as in this case, the agency approving the proposed project is also its proponent or closely related to its proponent." Id. at 406.

This analysis should include empirical or experimental data, scientific authorities or other explanatory information that provides a basis for a comparison of the problems involved with the proposed project and the difficulties involved in the alternatives. Citizens To Preserve The Ojai v. Ventura Cty., 176 CA3d 421, 22 Cal.Rptr. 247, 251 (1985); Whitman v. Board of Supervisors (1979) 88 Cal.App.3d 297, 411, 151 Cal. Rptr. 866.

C13-6

C. MITIGATION WHETHER REQUESTED BY A
COMMENTER OR NOT MUST BE SPECIFICALLY
DISCUSSED AND REQUIRED IF COST-EFFECTIVE.

The EIR identifies significant effects of a project on the environment and the way those effects can be mitigated or avoided. Laurel Heights, *supra*; Pub. Resources Code Sections 21002.1. subd. (a), 21061, 21100; Guidelines 1121,15126. Before approving the project, the lead agency must certify it has considered the final EIR, and must make findings that the project's significant environmental effects have been avoided or mitigated, or that unmitigated effects are outweighed by the project's benefits. Laurel Heights, *supra*; Pub. Resources Code Sections 21002, 21002.1, 21081; California Environmental Quality Act Guidelines Sections 15091, 15093.

Public agencies must require all feasible mitigation measures which would substantially lessen or avoid the significant environmental effects of projects. Pub. Resources code Section 21002.1(b). Feasible means "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental,

social, and technological factors." Pub. Resources Code Section 21061.1.

If an agency rejects a proposal by the public for mitigation of a significant impact, the agency must explain why it is unreasonable or ineffective in the EIR. Laurel Heights, supra; Village Laguna of Laguna Beach, Inc. v. Board of Supervisors (1982) 13 Cal.App.3d 1022, 1035. Including studies relied upon enables complete information and evaluation by the public. Laurel Heights, supra.

**II. IN THE CASE OF THE DISTRICT'S EIR, ALTERNATIVES
REQUIRED TO BE REVIEWED UNDER THE CALIFORNIA CLEAN
AIR ACT WERE REJECTED WITHOUT ADEQUATE
CONSIDERATION OR DISCUSSION IN THE EIR.**

Under Health and Safety Code Section 40919, the District could have proceeded as a "serious" area where attainment was required by 1997. This alternative plan would be required if the attainment date of 1997 was practicable and cost-effective.

We do not see any detailed discussion within the EIR why this alternative was not practical. The District states that it merely "declared itself as having "severe" air pollution with regard to ozone" without explanation. Page 3-12. There is a general conclusionary statement at page 3-21 that:

Finally, emission reductions of as much as 75 percent for either ozone precursor, or both, may be required to attain the State ozone standard.

The report then concludes:

Because a practical strategy for achieving a 75 percent reduction in ozone precursors cannot be achieved by 1997, the Bay Area cannot demonstrate attainment of the State ozone standard by 1997.

There is also a statement at page 6-1 that:

alternatives that are significantly more stringent than the proposed CAP are not considered feasible. This is because in order to meet the requirements of the CCAA for severe areas, the CAP already includes all feasible control measures. The net result is that the range of feasible alternatives for this project is much narrower than is generally the case in CEQA documents. . . .

Numerous alternatives in addition to those selected for review were considered for analysis. Many of these alternatives were rejected because they could not feasibly attain the basic objective of the project.

These tautological unsupported assertions do not suffice as suitable discussion in an EIR. As discussed above, mere conclusions are not sufficient for purposes of an EIR. There is no assurance that stronger measures that are feasible because they reduce air and water pollution impacts and avoid substantial water pollution mitigation costs have been considered. There are a variety of measures available for air pollution control, and many that provide these additional benefits, which are not in this CAP and EIR. The District should make available the basis for these conclusions and consider whether other measures used or considered in other communities would be feasible. We and other organizations have listed specific measures including the measures considered in the Los Angeles plan. The EIR should specifically state why these measures cannot be implemented.

C13-8

Similarly, under Health and Safety code Section 40914(b)(2), the District must adopt measures accounting for 5% reductions per year or at least all feasible measures and an expeditious adoption schedule. The District should specifically discuss an alternative that adopts at least 5% reductions per year. As the District is only proposing 3% per year reductions, the District should specifically explain why other measures cannot be adopted earlier.

C13-P

Sierra Club and Greenpeace have provided the District with a discussion of measures in Los Angeles and we join in their concerns. We have also previously written the District regarding additional measures, and attach this comment dated July 23, 1991 and incorporate it herein by reference as Appendix 1. We also join in the comments provided to the District by CLEAN South Bay. These comments show that stronger air quality measures can avoid significant adverse environmental impacts to San Francisco Bay that municipalities estimate may cost many millions of dollars to mitigate, if air pollutants that become urban runoff pollutants are not stopped at the source. We further note that the Plan's vagueness and conclusions regarding adoption and implementation dates suggests that a further refinement and tightening with dates certain and reductions required would produce a stronger alternative. The failure to have earlier adoption and implementation dates should be fully explained.

C13-9

In this comment, we wish to stress in particular severe deficiencies in discussion for two potential measures. The EIR at page 6-2 refers to a "strict" indirect source control rule. However, it fails to explain why a stronger rule with greater reductions is not possible. We note the 1982 Plan discussed a range of indirect source control measures more strict than the proposed rule. A far more thorough consideration and public discussion is required.

C13-10

Second, the EIR dismisses a conformity assessment based upon state standards because it is not required:

It is important to note that the CAP is not a SIP. The CAP is designed to meet the requirements of the California Clean Air Act, not the 1990 federal Clean Air Act Amendments. . . . However, while the federal CAA requires

conformity of the Regional Transportation Improvement Program (RTIP) and RTP to the SIP, the CCAA does not require the TIP and RTP to conform to the CAP. EIR at 4.2-10.

We agree that conformity is not listed as a specific minimum requirement in the California Clean Air Act, but all feasible measures are required, particularly as the District claims it cannot attain by 1994 or even 1997 and it cannot attain 5% reductions per year. Conformity based upon computer analysis is feasible, as demonstrated in the federal action against MTC, described at page 4.2-10 of the EIR. If this computer modeling used state standards and emission reduction requirements as its criteria, it would avoid dramatic emission increases and provide far more important mitigation measures than are now proposed.

Under the Court's order, this conformity process also requires a carbon monoxide hot spot analysis. Thus a conformity process would be an available cost-effective mitigation measure avoiding the most important adverse impact raised by the report as to its preferred alternative. The failure of the EIR to include such an analysis is a clear, gaping flaw in the report.

The authority of the District to require this analysis is now clear under State law. Under the California Clean Air Act, a district shall adopt, implement, and enforce transportation control measures for the attainment of state or federal ambient air quality standards to the extent necessary to comply with Section 40918, 40919, or 40920. Health and Safety Code Section 40717(a). As MTC has failed to deliver a satisfactory plan, the District now can order a proper conformity assessment for all federal highway projects and make that a condition for any approval by MTC.

An alternative with these measures could be the preferred alternative, as they provide important additional environmental benefits. These stronger indirect source control and conformity alternatives can address serious environmental impacts of water pollution. Transportation air pollution of urban runoff is the biggest polluter of San Francisco Bay that is not yet regulated for its water pollution impacts. The comments of CLEAN South Bay show that increasing or reducing vehicle use will cause a significant corresponding increase or reduction in runoff pollution that now violates water quality standards and causes toxic impacts in San Francisco Bay and its tributaries. These same vehicle use changes affect air emissions violating air quality standards. If alternatives that effectively reduce air pollution and poison runoff at the source by reducing the use of the automobile are not selected, these comments further show that municipalities estimate the cost of mitigating water quality impacts may reach hundreds of millions of dollars for each mid-sized or large municipality.

Accordingly, the EIR should discuss how even stronger indirect source control alternatives will reduce runoff pollution through land use policies that reduce the need for car use and provide additional mechanisms and resources to augment cleaner public transit. It

should discuss how a stronger alternative using conformity will shift resources from further investment in automobile infrastructure and increases in runoff-producing pavement, to transit that encourages reduced vehicle use. It should discuss the reduction in runoff volume and runoff pollution produced by these measures.

The EIR should compare these and other alternatives in sufficient detail to show how the stronger alternatives will cause substantial environmental benefits for the Bay. It should specifically discuss and compare the mitigation costs of selecting an alternative that fails to adequately reduce automobile use thereby increasing poison water runoff to the Bay. The EIR should especially detail how these critically important benefits of stronger alternatives and substantial mitigation costs of weaker measures influence its analysis of what alternatives the District considers practical, cost-effective, and feasible.

C13-11

III. DISCUSSION OF ALTERNATIVES REJECTED SHOULD INCLUDE SPECIFIC REFERENCE TO SOCIO-ECONOMIC JUSTIFICATION.

It is our understanding that the District's failure to include certain alternatives schemes or measures was based upon an internal assessment of their popularity or political acceptability, based in part on the District's socio-economic analysis. This basis should be fully explored in the EIR. Attached to CBE's comments as Appendix 2 is our consultant's critique of the socio-economic analysis. In our view, this analysis is unfairly one-sided in evaluating costs and benefits, riddled with errors, alarmingly understated in its evaluation of the economic benefits of improved public health, and grossly misjudges the impacts upon low income communities.

Instead, we believe the data support our view that additional cost-effective measures could produce greater air pollution reductions as required by the statute and particularly benefit low-income communities. Since the EIR suggests that a market-based alternative apparently supported by big business groups is the environmentally preferred alternative, we are concerned that the socio-economic analysis relied upon by the District has permeated the entire EIR analysis avoiding proper consideration of alternatives that include available cost-effective measures to reduce pollution.

Our consultant specifically calls for an economic analysis of the economic benefits of improved health as well as a report that properly allocates costs and benefits for low income communities and the general public. The EIR should reevaluate the feasibility of alternatives suggested by CBE and others that have been rejected based upon accurate socio-economic data. In our view, this reevaluation could mean that an alternative with far greater reductions of pollution would be feasible. Further, based upon the impacts of water pollution, alternatives with less reductions may prove to be infeasible as it will pass pollution costs that are unbearable to cities now required to control non-point source pollution and storm drain discharges.

As to general political popularity, the Bay Area public wants stronger stationary source controls on industrial air polluters. Concerns over public acceptance of reduced vehicle use undeniably argue for swifter improvements in public transit options.

IV. MITIGATION NEEDS TO BE STRENGTHENED.

There are four areas of adverse impacts discussed in the EIR's text relating to a variety of plan activities where we believe mitigation could be cost-effectively strengthened. The first area concerns the possible use by industry of ozone depleting chemicals as substitutes for chemicals that form ground level smog. CBE has previously submitted comments concerning this problem in letters dated March 20, 1991 and June 28, 1991, attached hereto as Appendices 3 and 4.

The EIR does recognize this problem and laudably proposes to remove exemptions on their regulation and restrict the use of these chemicals. However, this mitigation requirement is far too vague. CBE specifically requested that there be policy language in the Plan that prohibits the use of upper-atmosphere ozone-destroying and toxic chemicals as substitutes for smog-forming chemicals. The District in its separate ozone depletion white paper and recommendations (not included in the EIR) calls only for rule-making and rules that do not encourage the use of just one of these chemicals. The EIR instead should specifically require rules that either ban or through significant financial disincentives discourages the use of these chemicals as substitutes, and aggressive rule making that phases out the use of these chemicals entirely.

The second area of impacts relate to various construction activities, new facilities, and transport hubs, and alternatives that allow less than maximum reductions in air pollutants that contribute to poison runoff. The impact is water pollution from the activities and facilities in these alternatives that is caused by runoff sweeping air pollutants into streams and the Bay during storms.

We believe the District should require that additional runoff control measures be required before new activities that cause these impacts are permitted. The most effective of these measures is elimination of unnecessary car use and pavement coupled with alternative or reduced transit. This would remove the toxic inputs and reduce runoff flooding the source. Secondly, various low-runoff designs, pollutant barriers and toxic reduction housekeeping techniques and structural barriers could be required. This should be coordinated with water quality officials.

Further, failure to select stronger alternatives could foreclose options for reducing poison runoff violations of the Clean Water Act at their air pollution sources, and force expensive end-of-pipe storm water treatment as the only remaining option for meeting Clean Water Act standards. Throughout most of the Bay Area, urban runoff flows to the Bay through separate storm drains that have no treatment systems like those provided for domestic

C13-12

C13-13

wastes in sanitary sewers. Only San Francisco provides treatment to some runoff in its combined sewers.

Since some alternatives effectively reduce air and water pollution impacts, and other alternatives allow air emissions that also pollute the Bay, the EIR should discuss mitigation for these impacts. This discussion should include the "end-of-pipe" treatment of discharges from municipal storm drain systems that is discussed above. It should discuss how this mitigation could substantially lessen runoff pollution impacts of these air emissions, albeit less effectively than source controls.

The third area of impacts is local carbon monoxide hot spots at transport hubs, due to a concentration of parking. We suggest a further review and requirement of additional mass transit and automobile alternatives be considered. This can, at the same time, cost-effectively accomplish mitigation for some runoff impacts discussed above. Conformity analysis is an essential mitigation technique for this impact.

The fourth impact relates to the transportation of ammonia. Ammonia as noted is extremely toxic. Mitigation at a minimum should include full notice to communities where ammonia is being transported to and stored, with full disclosure of accident prevention analyses and plans. Alternative storage locations as well as alternative technologies for the processes using ammonia should be reviewed as now suggested in the EIR. Ammonia use should be eliminated.

V. CBE REQUESTS A COMPLETE RESPONSE TO THESE COMMENTS.

At the informational meeting on the Plan, CBE and other groups put forward similar comments as discussed above, yet to our disappointment, the District did not include a discussion in the EIR in response. When the public has put forward comments and proposed alternatives, it is the duty of the lead agency to evaluate and respond to any significant environmental question presented. CGV 52 Cal.3d at 567. If a draft EIR is so deficient as to eliminate meaningful discussion, the final EIR could be deemed faulty regardless of its quality as the process eliminated an important step for public comment and dialogue.

We note with appreciation that the Board and staff scheduled numerous public meetings to hear comments. We further note that the staff met privately with representatives of our group and the Sierra Club. However, to assure a proper plan and a focused public discussion and debate of the issues, we request a specific response to our comments so we can be assured that all issues have been thoroughly considered and addressed.

SPECIFIC COMMENTS BY PAGE

The following are additional specific references in the report where the above-described issues need to be addressed:

page 2-1. Did not prior state law require plans to meet state standards?

P. 2-7. The plan should not require construction of new lanes that will be converted to HOV. A proper conformity process would eliminate this problem in cases where additional lanes partially used as HOV increase capacity and attract and encourage additional car use.

p. 2-9. No discussion of alternatives of 5% or doing everything in L.A and as suggested by CBE.

P. 3-21. Assumes 75% reduction necessary and not possible without detailed explanation.

4.1-22 Claims impossible to design mitigation for ozone hot spots, but does not explain why. Conformity hot spot analysis would be a proper mitigation here (see discussion above). What about increased use of mass transit?

4.1-26 No explanation of why full electrification or conversion not feasible for transit? MTC should make federal money for transit conditional on conversion.

4.1-28 Why not require more mass transit and auto alternatives to avoid the need to "park" and ride? Conformity analysis relevant here. Federal money for HOV new lane construction would be more effective to provide subsidy for cheaper mass transit.

4.1-28 Avoid constructing new carpool/express lanes and merely convert existing lanes. Conformity analysis again helpful here.

4.1-39 Ozone depletion language needs to be more specific in not merely restricting but banning or discouraging use with specific timetable for phase out.

4.2-10 Conformity is an available, feasible measure that is not used either as a control measure or for mitigation.

4.5-16 Ammonia use should be eliminated. Full public knowledge of transportation routes, accident prevention programs, and accident assessment analyses should be given during permit process. Alternative storage areas away from the public should be required.

4.8-3 & 4; 4.10-8, 10-11. Should note that indirect sources if planned, designed, constructed or sited properly can reduce poison runoff and therefore have a positive beneficial impact. All permits for construction of transportation facilities and indirect sources should be conditioned on properly preventing runoff pollution impacts.

6-1 "Because it is designated as severe." No explanation.
No explanation for why other measures such as LA are not considered severe.

C13-31

6-2 No explanation for why the more strict indirect source rule is not required, or other rules used across country or described in 1982 Plan not required.

APPENDIX 1

7/23/91

Chairperson Cooper,
Members of the Board, and Staff
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109



Re: COMMENTS ON THE DRAFT CLEAN AIR PLAN

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Dear Chairperson and Members of the Board,

We are writing to urge the strengthening of the state Clean Air Plan to include all reasonably available measures at the earliest practicable dates and to achieve reductions in smog precursors that will also reduce pollutants such as ozone depleters, greenhouse gases, carcinogens, and other toxics.

As it stands, the plan fails to meet any of the three major requirements of the Clean Air Act. It fails to meet the state health standards for ground-level ozone, it further fails to meet 5% reduction per year, and finally it fails even to include all reasonably available measures and to implement them as soon as practicable.

Especially since the District will be seeking funding and authority from the State for certain transportation control measures which will take some time, it is imperative that everything which is currently in the District's power be done as expeditiously as possible (for both stationary sources and transportation controls).

Many more tons per day of reductions can be reached at earlier dates than currently scheduled in the plan if for example the stationary source control deadlines are speeded up to be achieved earlier. This will buy time to put in place those measures which will necessarily take more time. Especially since the District has long experience with stationary source control measures, it is imperative that this part of the plan be carried out immediately.

Many deadlines (or almost all) have been delayed as compared to those proposed during the first workshops on the Clean Air Plan. Those deadline schedules were already protracted to begin with, and should have been tightened, rather than lengthened. We are very dismayed with these delays given the failure of the plan to achieve the requirements of the Act. The following are comments on specific categories of controls.

(cont.)

↑ Solvents:

A9--Auto assembly coatings--(NUMMI) Further reductions have been delayed over 4 years more (to 2000+) than the original proposal that was workshopped (1/96), which was too slow to begin with. This facility is a new and major source which should be held to the strictest standards, and not given long years to continue to emit the almost 8 tons per day of pollutants.

These large emissions can be controlled through installing booths which capture vapors emitted during spraying, rather than only controlling the much smaller portion of vapors which are emitted during heating in ovens. Another possibility besides capturing all emissions in booths is to concentrate the vapors present in the currently-used large spraying areas and then control them. Instead of reductions of 1-1.5 tons per day presently proposed, much higher reductions of 6 or more tons per day can be achieved if all vapors are captured. A rule should be adopted by early '92, with reductions within a year.

A12--AECs (alternative emissions control plans) which allow companies to avoid complying directly with VOC standards should be removed immediately, not in 7/95. Because of allowing emissions averaging, AECs can result in larger emissions. They are hard to enforce, make it difficult to confirm that emissions reductions are real, are hard to administer, and may encourage creative paperwork rather than real compliance with the standards. The emissions associated with eliminating AECs may be much larger than stated in the CAP. Since AECs are alternatives to already existing rules, they can be immediately removed, requiring immediate compliance with the existing regulations.

A18--Substitute solvents--The proposed reduction date has been delayed one year for part of this measure compared to the date proposed in the workshops, when instead the schedule should be speeded up. This is despite the fact that 1) big reductions (almost 8 to 12 tons per day) are associated with this measure, 2) the South Coast already has a rule requiring low VOC content, and 3) the BAAQMD itself describes water-based, citrus-based, and other low VOC solvents as available. This rule should be set for adoption in early '92, with reductions within a year. This rule should not allow the use of ozone depleters or toxic chemicals such as TCA or methylene chloride.

A19--Ultra-low coatings--Huge reductions can be achieved through this rule (about 22 tons per day). The District is not planning adoption until sometime after 2000 (a delay from the original workshop proposal of 7/99, which was already too delayed). The District should research existing applications of the use of ultra-low coatings (UV cured or



other) and require their use immediately for similar applications which currently use higher VOC coatings in the District. Waiting until post 2000 will not provide any technology forcing incentives for expeditious development of ultra-low coatings to make them more widely available. Reporting requirements on progress toward development of such coatings for a wide variety of industries should be instituted immediately.

Organic storage:

B5--Marine vessel tank purging--We believe the emissions from this category are very much larger than currently indicated in the District proposal, and should be a high priority for controls. No venting of vessels should be allowed. The recently adopted rule in the South Coast District does not allow venting and purging during ballasting and housekeeping shipping operations within California waters (approximately 100 miles offshore). (Studies with tracer gases have shown that gases 100 miles offshore affect our air quality onshore.) Currently vessels in this District are venting emissions within three miles of shore.

Emissions in this category can occur when taking on ballast water after leaving the dock, which pushes out vapors which remain in the vessel after crude oil is unloaded. Judging from emissions inventoried during marine loading, emissions during ballasting could be at least in the many tons per event range. Emissions can also occur during housekeeping operations to wash down tanker walls when approaching drydock. According to the ARB (Technical Assessment Document for Reducing Organic Compound Emissions from Marine Tank Vessel Housekeeping Operations, Conducted in Preparation for Drydock Entrance, '88), a single event of crude oil washing of a large vessel can emit 90 tons. While these drydocking events in particular probably do not happen often in the District, when they do, the emissions are major.

Crude Oil Washing and other housekeeping can also occur at the dock, and purging with "inert" gas and air after leaving the dock. These events can emit large amounts of hydrocarbons, especially since so-called "inert" gas is actually a diesel product.

Some of these events appear to be common in the District. The District should inventory the frequency of these events and determine the extent of the emissions and adopt a rule by early '92 which allows no venting, effective immediately. There is no reason to delay adoption until 1994. The South Coast District has already adopted a rule requiring 95% control of these events. This rule should forbid any intentional venting.



Refineries/Chemical plants:

A set of controls were promised in '90 at the direction of the Board to the staff, which would greatly reduce the major emissions which come from many fugitive sources from refineries and chemical plants. This set of controls would be a major step forward in reducing smog precursors and carcinogens from refineries and chemical plants.

There has already been significant delay in their adoption. The last District schedule proposed that these measures would be adopted by the 4th quarter of this year, except for flares in the first quarter of next year. Currently only valves and flanges and pumps and compressors have been workshopped (and were supposed to have been adopted already). All of these rules are now scheduled in the plan for adoption over a range of years, as late as '97. Delay in adoption of these rules should not be considered. All should be adopted at latest by early '92 and implemented within 2 years to achieve major smog reductions and to reduce cancer risk near these facilities. These include the following five rules.

C1--Valves and Flanges--As this rule is almost finished with the workshop process, a rule should be adopted as soon as it can be scheduled for a hearing (within 2 months, not in '95-97 as stated in the plan). This rule should require a 100 ppm standard to ensure that upgrading will occur to leakless seals, effective immediately.

This regulation will change the current system of waiting for detection of leaks during quarterly inspections, fixing them, and then finding them leaking again at the next inspection. There should no longer be toleration of leaks as business as usual, since available leakless technology can prevent the problem. We strongly oppose a 1000 ppm standard and lengthy compliance schedule (to '95 or later), which would amount to no improvement over the current rule. No use of these reductions for offsets should be allowed.

C2--Pumps and Compressors--This rule is also being workshopped along with valves and flanges and should be held to the same standards and schedules as valves and flanges, since leakless varieties are available.

C6--Wastewater separators--see general comments above.

C7--Refinery flares--As stated by the District, intensive monitoring of flares has shown much larger emissions than projected by average emissions factors. This information confirms the long-term community concern over the very frequent firing of flares despite

their supposed status as an emergency-only control measure. We have been urging flare controls for many years, but have seen little progress. Flare controls should be adopted immediately and implemented within 2 years.

B2--Improved storage of organic liquids--These emissions may be larger than listed; for example, emissions associated with tank cleaning are not in the District inventory.

NOx:

This largely uncontrolled category of smog precursors represents an untapped opportunity for reduction. In most cases not even basic NOx emissions controls are in place.

All District NOx rule proposals should be systematically compared with South Coast rules to add rules missing and to tighten up standards. Some available rules are not included in this District's plans, and some of this District plans are less stringent than those in the South Coast plan, though controls are available. For instance:

D4--Boilers, steam generators, and process heaters--This District only proposes controls for units rated at 5MMBTU/Hr or greater. The South Coast has existing and proposed rules for this category for not only greater than 5 MMBTU/Hr, but also 2-5 MMBTU/Hr, and for less than 2 MMBtu. Similar or more stringent controls should be set in this District for all these categories, to be adopted by early '92, for implementation within 2 years.

--Catalytic cracking units controls are included in the South Coast plan but missing from this District's proposal. In addition to NOx reductions, controls on this category can also reduce SOx and particulates.

The District should also investigate alternatives to ammonia for NOx controls to reduce the storage of this hazardous material.

Other Stationary Control Measures:

F4--Enhanced enforcement--We believe that very large reductions could be secured through this measure, and it should be adopted at the latest by early '92, with implementation effective immediately. Improved District surveillance, audits, more stringent variance procedures, and many other measures are all needed to ensure that rules adopted are actually complied with on time.

In the example of the marine loading regulation, many oil refineries are projecting delays in their compliance schedule of 6 months. This is unacceptable especially for such a major source of smog precursors and toxics which can not only increase the chance of exceedance in the region but also increase the cancer risk to workers and the community from benzene exposure. Interim progress requirements (one company apparently hadn't even ordered control equipment), and less willingness on the District's part to allow variances, could result in large reductions in emissions.

The case of Posco, Air District attorneys encouraged Posco to violate their permit in return for paying fines, two weeks after being denied a variance by the Hearing Board. This sort of tolerance for non-compliance is likely to encourage industries to allow their compliance schedules to slip.

Motor vehicles:

This important subject deserves full comments by itself. In this document we are focussing on stationary source controls. We also refer to earlier oral comments during the Transportation Control Plan, and to the written comments of our coalition partners from the Bay Area Coalition for Clean Air which we support. In general, we call on the District to adopt all available measures immediately, for expeditious implementation.

In addition, we call on the District to investigate the possibility that the District inventory has greatly underestimated emissions from autos. We refer to the attached comments to the South Coast District by Jim Jenal from our Los Angeles office. Mr. Jenal's investigation brought up many questions about acceleration and other events causing high emissions from autos, but not accounted for in the South Coast inventory. We ask that staff respond to these attached comments by identifying whether this District is also underestimating auto emissions in a similar fashion, and if so, to correct the inventory.

Additional comments:

--The 25% reduction credits which the District is offering for those categories asterisked in the plan are not appropriate and should be removed. As the District has not projected meeting the state standards nor the required 5% reduction per year, the District can't afford to give away reductions to be used as offsets. This would not meet the legal requirements to use all feasible reduction methods available.

--Upper atmosphere ozone layer-- As we proposed in March, we call for the removal of exemptions for ozone-depleting substances (such as TCA and CFC-113) and for carcinogens (such as methylene chloride) from the smog regulations, and a plan for phasing out these substances in the District. Such a phase out should be a formal part of the Clean Air Plan, as all the District rules are being reviewed anyway for opportunities to reduce smog-precursors. If exemptions are not removed, the use of ozone-depletors and toxics will likely actually increase in the District. A full inventory of emissions encouraged by District smog regulation exemptions should be done, and language should be added to the plan committing to the phaseout of ozone-depletors and toxics, specifically targetting the above mentioned chemicals for early reductions.

--Energy efficiency--The District should not only adopt all energy efficiency measures included in the plan for the South Coast District and other regions, but it should also begin workshops to develop a list of all available energy conservation regulations, including participation by citizens and public agencies, by early '92.

This should include all available conservation measures for industrial, commercial, residential, and transportation sectors. One example: solar-assisted boilers may be available which would reduce standard energy use by 25%. Energy conservation not only conserves fuel but reduces emissions of ozone precursors including hydrocarbons and NOx, and also carcinogens, CO2, and other pollutants. Much information and opportunity for control is already available, but not fleshed out in the plan.

--The District should begin publishing a document quarterly comparing its own existing and proposed rules and deadlines and standards, with those of other Districts (including proposed rules) and perhaps those of other states and countries. This document would be used to identify areas where the District is missing rules, or has less stringent standards. Identification of such deficiencies should trigger immediate scheduling of workshops for developing and adopting rules as soon as possible. This publication should begin this year, and be available for public input. Such a publication could also be used by other Districts to incorporate rules developed by this District but missing elsewhere.



↑ In addition to adopting all available means to reduce ground-level ozone, the District needs to assess the very great and diverse health and environmental risks and costs from emissions from transportation and stationary sources in this region. These risks include lung and heart disease from ground-level ozone and carbon monoxide, cancer risk from benzene, butadiene, and formaldehyde from autos, deaths from particulates, risks to children from lead exposure (unleaded gas still contains lead), risk from global warming (rising sea levels, droughts), risks from ozone depleting gases (causing Bay Area skin cancer deaths), and damage from major auto-related pollutants into the San Francisco Bay. Costs include lost work from pollution-related illness, auto accidents, large subsidization of freeways and roads over mass transit alternatives, and many other costs.

When the great cost of tolerating our present burden of pollution from stationary and mobile sources is quantified, it will become much more apparent to the public that we can't afford not to clean up the problem.

Thanks for your attention.

Sincerely;

Julia May
Clean Air Program Director
Citizens for a Better Environment

A handwritten signature in dark ink, appearing to read 'Julia May', is written over the typed name and title.

cc.
Milton Feldstein
Peter Hess
Jan Bush

APPENDIX 2

August 18, 1991

Mr. Alan Ramo, Legal Director
Citizens for a Better Environment
Suite 305
501 Second Street
San Francisco, Ca. 94107

Dear Mr. Ramo:

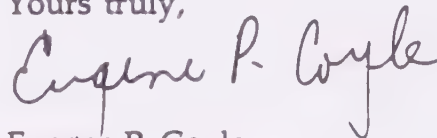
As we discussed, my colleague, Dr. David Landes, and I have reviewed the Socioeconomic Report of the Bay Area 1991 Clean Air Plan, prepared for the Bay Area Air Quality Management District (BAAQMD).

The Report is inadequate for its intended purpose as an informational document to accompany the Clean Air Plan (CAP). It has serious errors of calculation, presentation, and conception.

The Report fails to present estimates of the health benefits that can be anticipated to follow from the CAP, though making such estimates is feasible and has been done by others elsewhere.

Our review of the BAAQMD's Socioeconomic Report is enclosed. I would be happy to answer questions about it. Our discussion of measures in the CAP should not be construed as an endorsement of the measures. We merely comment on the Report.

Yours truly,



Eugene P. Coyle

C13-S3

C13-S4

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A CRITIQUE OF THE BAAQMD'S SOCIOECONOMIC REPORT

Prepared for

Citizens For a Better Environment

by Dr. Eugene P. Coyle and Dr. David L. Landes

INTRODUCTION

The SOCIOECONOMIC REPORT on the Bay Area 1991 Clean Air Plan has a number of problems in conception, errors in calculation and presentation, and lacks or omits crucial information.

As such it can not be relied upon by the Board, nor by the Public, in reviewing the Clean Air Plan (CAP).

C13-S5

As we reviewed the Report, we were struck that its perspective and errors tended in one direction -- to emphasize the cost of the CAP and to minimize the benefits that will flow from it. The Report confuses costs with transfers, and thus fails to fully convey that a cost to one group will be a benefit for another. A major shortcoming of the Report under review is its failure to quantify health benefits, leaving one of the major potential benefits of the CAP as an abstraction. Elsewhere, others have quantified health benefits, however imperfectly, in a number of studies.

C13-S6

Aside from what appears to us to be a one-sided perspective on costs vs. benefits, the Report also emphasizes, incorrectly and without providing supporting analysis, an adverse impact on Low Income Groups. A careful reading suggests, on the contrary, that Low Income Groups, along with all other residents, will certainly benefit from cleaner air. Low Income Groups will likely benefit financially as well from the measures discussed in the CAP. And finally, since the Report projects, as far as it is able to quantify, a net gain of over

80,000 jobs, Low Income Groups may benefit by gains in employment.

COSTS VERSUS TRANSFERS

The Socioeconomic Report confuses, for the reader, "costs" with "transfers". This is not a trivial question of semantics but a critical error in conveying information about the CAP. The idea of a "cost" is a familiar one to all of us. But a transfer describes a transaction where, essentially, funds from one party are given to another, so that it is as correct to call one side of this a profit or a gain, as it is to call the other side a cost. Since the two sides of the transaction are equal, the net cost or gain is zero.

C13-S7

Rather than show such transfers as zero, however, or as both a cost and a gain, the Summary Table of the Socioeconomic Report shows these only as costs. Table 1, the Summary Table, is one place where this erroneous reporting is most misleading. It conveys to the reader the sense of an enormous cost of the CAP. Although the Report itself notes that much of what it calls "costs" are actually transfers, both in the text and in Table 1 the amounts are dealt with as costs, not as transfers.

C13-S8

The effect of this error in the Report is to severely bias the reader against adopting the CAP.

C13-S9

ERRORS ON "TABLE 1. SUMMARY OF SOCIOECONOMIC IMPACTS OF CAP"

C13-S10

Table 1 provides a concise summary of the CAP's impacts. It pulls together on two pages the various impacts discussed in the Report. As such it is a crucial table for the reader seeking to evaluate the CAP.

Unfortunately, Table 1 seriously misleads the reader. The errors are predominantly in one direction, inflating the costs, minimizing or omitting the benefits, and suggesting erroneously that the CAP will adversely impact low income groups in the Bay Area.

C13-S11 The following is a list of errors in Table 1:

1. Under "Employer-Based Trip Reduction" (TCMs 1, 2):

The "cost" to commuters is incorrect because the amount, \$1.46 billion, is shown as a cost. This is the amount estimated to be generated by a \$3.00/day employer fee on employee parking. Almost 90% of the revenue generated by this fee -- an estimated \$1.3 billion -- would be given to employees using transit or carpool/vanpool systems, and thus would be a benefit, not a cost.

This item is not a "cost" but a transfer, and if reported at all should be shown as both a benefit and a cost.¹

(Incidentally, the Metropolitan Transportation Commission (MTC), on whose figures this section of the Report is based, has no inventory of employer-owned parking spaces in the Bay Area. The dollar figures are estimates based on census data of work trips and a model which somehow assumes that not every car that is driven to work is parked.)

C13-S12

2. Under "Employer-Based Trip Reduction" (TCMs 1, 2):

The same item has a second error. The amount shown is incorrect. The correct amount of the transfer is \$1.3 billion. If the Phase 3 total transfers are to be shown on this line of Table 1, as both benefit and cost, the amount should be \$1.3 billion in benefits and costs, not the \$1.46 billion that is reported in the box on Table 1.

C13-S13

3. Under "Employer-Based Trip Reduction" (TCMs 1, 2):

There will be an actual net cost to commuters associated with Phase 3 parking fees, but it amounts to \$155 million, according to page 45 of the Report, not the \$1.46 billion shown. \$155 million is the estimated cost of administering the program, and would pay for both employer cost and costs incurred by any Bay Area government. Thus the "cost" shown should be \$155 million, not the erroneously-reported \$1.46 billion. (\$1.46 billion minus the administrative costs of \$155

¹ This \$3.00 employer parking fee might not be implemented until the year 2000, so that dollar figures attributed to it must be viewed as speculative, at best.

million results in the \$1.3 billion in transfers mentioned above.)

C13-S14

4. Under "Employer-Based Trip Reduction" (TCMs 1, 2)

There will be no cost to business associated with the \$3.00 parking fee. Administrative Cost is therefore shown erroneously. Table 1 shows business and industry incurring a cost of \$150 million and Bay Area Government facing a cost of \$5 million but this is misleading. There will be administrative costs but business and government will be given the projected \$155 million from the employee-paid parking fees. The cost associated with administering the Phase 3 Employee parking fees will be born by the employee parking a car, not business or government.

The revenues from these parking fees will flow to the businesses and government agencies, not from them. Thus there will be zero net cost to the businesses and government. The reader consulting the Summary Table is seriously misled.

C13-S15

5. Under "Market-Based Measures" (TCM 22):

On the line showing Travel Time Savings, the Benefit to Commuters, \$1.1 billion dollars, is shown in the wrong box -- it is shown as a cost rather than a benefit. The reader scanning only the Summary Table 1 sees a \$1.1 billion cost that doesn't exist and fails to learn of a \$1.1 billion benefit that is projected. Thus the reader of Table 1 will be misled a total of \$2.2 billion dollars from this error alone.

C13-S16

6. Under "Employer-Based Trip Reduction" (TCMs 1, 2):

The cost to Low Income Groups is shown with three minus signs -- indicating a severe adverse impact. The impact on Low Income Groups will actually be positive.

Recall that this is a \$3 parking fee imposed on a person parking a car. The net revenue generated by this fee, after covering administrative costs, will amount to \$1.3 billion dollars. This will be given to other, non-parking, employees to assist in their commute costs.

It seems clear that low income groups will benefit substantially from this measure, not incur a cost. The Report itself, on page 46, cites studies that show "... that low income persons tend to use transit at a much higher rate than the general population," Thus low income persons riding transit

will not only not pay the parking fee but will in fact receive a portion of the fee that others pay. Thus low income groups will benefit from this measure.

C13-S17

7. Under "General CAP Impacts"

Under the sub-heading Health Benefits, "Slower Health Services Employment Growth" is shown as a cost. Although elsewhere in the Table job gains are shown as a benefit and job losses are shown as a cost, it seems clear that it is perverse to show slower employment growth in health services as a cost. Since this is a product no one desires to buy, slow growth in demand for workers in this area can only be a plus. And since it is only slower growth in jobs that is projected, not an actual decline in jobs, showing this as a minus is inappropriate.

C13-S18

OMISSIONS IN THE REPORT

There are omissions in the Report which severely hamper the reader seeking to evaluate the CAP.

In the summary, the Report states:

"As the CAP acknowledges, most of its benefits are difficult to quantify, although they are substantial. This report presents a number of the economic costs of the CAP which must be balanced against the benefits. It does not attempt, however, to present a comprehensive cost/benefit analysis of the CAP. The information provided in the report, though, should be helpful to local policy makers, businesses and the public as they consider the need for improved air quality in the Bay Area."

In other words, the Socioeconomic Report is giving "local policy makers, businesses and the public" dollar estimates of the costs, but leaving the benefits (against which it says the costs must be balanced) almost completely unquantified.

In the CAP itself there is no attempt to quantify health benefits at all.

Omission of dollar estimate of health benefits

C13-S19

No attempt is made in the Report to quantify the health benefits resulting from the CAP. The discussion in the Report of health benefits associated with cleaner air resulting from the CAP is disappointingly scant. It is also framed in a way that suggests to the reader that the health benefits are a cost! The authors chose to present the discussion on health benefits under the "Impacts To Business and Industry" section of the Report. They assert on page 37 that "Projections of health benefits of the CAP are not available ... " without explaining why. The discussion then takes a rather amazing turn, to express concern with the job losses in health care, rather than the health gains that will flow from the CAP.

C13-S20

As mentioned above, no attempt to quantify the health benefits from the CAP is made in the Report, though it does mention an Air Resources Board study dealing with earlier pollution control. Yet others have, however imperfectly, attempted to state benefits in dollar terms. The Report footnotes (on page 37) an American Lung Association publication which surveys studies along these lines published during 1984-1989. There have been a number of studies of the health benefits following from cleaner air, so that making such estimates is feasible.²

C13-S21

The Socio - Economic Report prepared by the South Coast Air Quality Management District, furthermore, attempts to quantify a fraction of the dollar health benefits in that area, citing studies and models used. But the BAAQMD

² See, for example, the studies done for and relied upon by the South Coast Air Quality Management District. See also the book cited on page 37 of the BAAQMD Socioeconomic Report: James S. Cannon, The Health Costs of Air Pollution, A Survey of Studies Published, 1984-1989. American Lung Association, Washington, D. C. 1990. See also Maureen L. Cropper and Wallace Oates, "Environmental Economics: A Survey", Resources for the Future, Discussion Paper QE90-12, Washington, D. C., among others.

Socioeconomic Report cites the South Coast report merely to remark on the number of jobs to be lost from cleaning the air.³

C13-S22

The Clean Air Plan itself devotes only three paragraphs to "THE BENEFITS AND COSTS". Referring to health benefits and others, the CAP asserts that:

"Most of these benefits are difficult to quantify with confidence. Considerable uncertainty exists in making such estimates. The benefits are substantial, however."

No dollar amount for benefits is even mentioned, however substantial they are, though for costs the same section of the CAP does warn the reader of large dollar outlays -- in the billions -- required.

C13-S23

This section of the Clean Air Plan concludes with a bizarre remark: "Again, public input is sought in providing information regarding benefits and costs of the '91 CAP". Thus, with the resources of the BAAQMD, the MTC and ABAG, and having commissioned studies such as the Report under discussion here, and having produced no figures on the health benefits, the CAP asks the public to provide information on the benefits!

C13-S24

Other Omissions:

There are other economic benefits which could have been mentioned and quantified to help the public evaluate the cost of the CAP. Briefly, some of these are:

C13-S25

- If fewer commuters drive to work, less land for parking will be required. The dollar value of this real estate could be estimated and the gain reported to businesses and the public.

³ The South Coast AQMD Draft Final Socio-Economic Report reports on three studies. Stated in billions of 1987 dollars, and dealing with only benefits from reducing Ozone and PM10, one study projected annual benefits of \$8.9 billion dollars. Projected to 2010, these benefits reached \$9.09 billion. A separate study projected benefits of \$0.19 to \$6.37 billion a year, again from controlling only the same two pollutants. These benefits, the South Coast Report emphasizes, are only a partial account of the positive results.

- The dollar value, for employers, of the drop in the cost of health plans should be calculated and reported.

- A national market for trading emission rights is developing. The value of rights that businesses will be able to sell should be estimated and reported.

- Individuals and businesses may save substantially on car insurance and other automobile-related costs because of less congestion and less driving. This should be estimated and reported.

- Reduction of many sources of pollution will be required to comply with the Federal Clean Air Act. Presumably this will require less effort and expenditure than will compliance with the CAP. For purposes of evaluating the cost of the CAP, however, the dollar amount required to be spent on the lesser Federal rules should be subtracted from the amount required to be spent because of the CAP. This subtraction will result in providing the net cost of complying only with the CAP, since the Federal spending would be required even if the CAP weren't adopted.

C13-S26

C13-S27

C13-S28

C13-S29

C13-S30

ERRORS ON TABLE 6

"ESTIMATED DIRECT COMPLIANCE COSTS AS A SHARE OF INDUSTRY OUTPUT"

Table 6 reports to the reader on the estimated compliance cost by industry, and compares the cost with the value of industry output. The calculation of compliance cost as a percent of industry output is provided to give the reader a sense of how large the impact on industry will be. It turns out that the cost shown, as a percent of output, is quite small, only one third of one percent. But the calculation as made actually overstates the percentage, again leading the reader to think that the adverse impact of the CAP will be larger than if the Table were correct.

The following is a list of errors in Table 6:

C13-S31

1. The first error is that the figures don't add up. The Table shows the totals for value of industry output and the estimated maximum compliance cost. Both totals are slightly incorrect. The correct sum for value of output is \$107,246 rather than the \$103,321 shown. Since six zeroes are omitted from these figures, this error amounts to almost 4 billion dollars. The correct sum for Estimated Maximum compliance cost is \$339,504,946, only slightly different than the \$339,785,900 reported.

C13-S32

2. The second error is a major improper handling of the data. The point of Table 6 is to compare compliance costs with the value of output, by industry, to give the reader a sense of how large the impact of compliance will be. The value of compliance for all industries is summed and compared with the total value of output for all industries. But this is done in an improper way.

For three groups of industries the value of output is not shown, although a compliance cost is. Thus for the total, three compliance costs (two of the three extremely large) are added without corresponding revenues. Thus the total value of output is understated by a significant amount, and the percentage calculation is wildly in error.

If the three industries, with costs but without output values, are removed from the calculation the result is to cut the compliance costs as a percent of industry output by two-thirds.

There are two industries where a value of output amount is included but dollar compliance costs are not shown. The value of output is relatively small for these industries and for one of them the cost of compliance is expected to be negative -- i. e. there will be a saving from compliance.

C13-S33

3. There is an inconsistency between the amounts shown on Table 6, page 29, and the text of the Report on page 6. The text asserts that the amounts shown are in 1990 dollars while the Table states that the amounts are in 1991 dollars. If this is a simple typo in the text, it is unimportant. But if value of output, which has been adjusted in the Report from 1987 census data, is not stated in the same year's dollars as is the compliance cost, then comparing them again leads the reader astray.

4. In reporting the compliance costs, only the extra costs of the CAP, over and above spending required in the Federal Clean Air Act, should be shown. This is discussed under "Omissions". These dollar amounts are not yet available, but the concept should be noted on Table 6. The impact of noting this item will not be large.

C13-S35

5. In reporting the compliance costs, only net costs should be shown. Since under the Federal Act there will be a market for emission rights, industries operating under the CAP will have excess emission rights and presumably will be able to sell them out of state. Estimated proceeds from these sales should be subtracted from compliance costs of the CAP. This is discussed under "Omissions". These dollar amounts are not yet available, but the concept should be noted on Table 6. The dollar impact of this item may be significant.

C13-S36

IMPACTS ON LOW INCOME GROUPS

Concern for the impact of the CAP on low income groups is certainly admirable. Yet the Report doesn't do justice to the concern.

C13-S37

Already mentioned above, in the section discussing Table 1, is the question of the impact on low income groups of the \$3 parking fee. Pointed out there is the fact that low income groups use transit at a higher rate than the general population.

C13-S38

Low income people with jobs are thus likely to be net beneficiaries of the parking fee. Low income people without jobs clearly will not pay the employee parking fee. Yet they may benefit from that fee as the proceeds are used for transit.

C13-S39

Beyond that, low income groups, as users of transit, will benefit along with the rest of the community as transit services are improved in quantity, and quality, and perhaps provided at a lower price.

C13-S40

To change to another aspect of the impact on low income groups: Those unemployed, and those working at casual and other low-wage jobs and their families, frequently are without

health insurance. Their illnesses may now go untreated and unreported. As the CAP results in cleaner air, low income groups may benefit a great deal as community health improves.

C13-32

Housing for low income groups, moreover, is often in close proximity to stationary sources of pollution, so that low income residents are now bearing a disproportionate share of industrial pollution. To that extent, they may perhaps enjoy a large share of the benefits if the CAP is successful in improving air quality.

C13-33

Low income housing, typically clustered in urban areas and along inner-city freeways, furthermore, may be bearing a disproportionate share of the pollution from automobiles and trucks. To that extent, low income groups may perhaps enjoy a share of the benefits from the traffic control measures in a proportion higher than their numbers if the CAP is successful in improving air quality.

C13-S41

Finally, the Report, on page 47, returns to the discussion of impacts on low income groups (and to middle income families) in a disingenuous way.

C13-S42

Under the heading of "Market-Based Measures", the Report states that the aggregate costs to drivers could reach \$3 billion per year, in 1991 dollars. The Report then says it converts the \$3 billion in 1991 dollars to 2005 dollars, reaching \$5.94 billion. There seem to be two errors in this conversion. Elsewhere in the Report a 4% inflation rate is used for converting dollars of one year to those of another. (This de-inflation step, which shows up, for example, in Table 1 and elsewhere, is actually itself improper, but that is outside the scope of the point we address here.)

If the 4% rate used elsewhere in the Report is used to convert \$3 billion in 1991 to 2005 dollars, the result is about three quarters of a billion smaller than the figure of \$5.94 billion the Report reaches. The text on page 47 doesn't state how the "conversion" was done. For consistency it should have been done on the same basis as Table 1, but apparently it wasn't.

C13-S43

The second error in this conversion is that a number of the "Market-Based Measures" are designed to come on stream in, for example, 1997, with a fixed dollar price -- such as the \$3.00 parking fee. Since that price is set, it should not be inflated at all in an exercise such as this, never mind inflated from 1991.

C13-S44

These errors, however troubling, are minor compared with a conversion the Report attempts to state costs in the year 2005. By converting to dollars stated in 2005, the Report makes the impact appear much larger. The calculation supplied, almost doubles, in fact, the amount that it asserts drivers will be burdened with in 2005. This doubled amount is then used to produce a dollar-per-household figure. By stating the burden in terms easily visualized by a family, but doubled relative to the income families now experience, the Report certainly biases the conclusion to which the reader is led.

C13-S45

The Report next assumes that the low income family would experience the average burden on drivers, though of course many low income families don't have cars. Those that do have cars drive much less than those with higher incomes.⁴ It is clear, therefore, that low income families will not experience the average burden on drivers.

C13-S46

As a result, the Report's concern, on page 47, for the impact of the market-based measures on low income residents is based on a bad concept, bad arithmetic, and incorrect and unfounded assumptions.

C13-S47

CONCLUSION and RECOMMENDATIONS

In our judgement, the Socioeconomic Report is flawed in conception and execution. It is not, as it asserts it is intended to be, "... helpful to local policy makers, businesses and the public as they consider the need for improved air quality in the Bay Area."

⁴ See Congress of the United States, Congressional Budget Office, August 1990, Federal Taxation of Tobacco, Alcoholic Beverages, and Motor Fuels.

C13-S48

We recommend the following:

- The errors in the Report should be corrected.

C13-S49

- The reporting of Transfers should show on the same line both the benefits and costs of the various measures.

C13-S50

- We recommend that the health benefits be quantified. A quantitative evaluation of the health benefits as projected to result from the CAP can and should be made. The CAP, as noted above, asserts that the benefits are difficult to quantify. But difficult things are done all the time. Difficulty is actually the best reason to begin at once.

###

APPENDIX 3

3/20/91

Osby Davis, Chair, and Members of the Board of Directors
Bay Area Air Quality Management District
939 Ellis Street, San Francisco, Ca. 94102

Re: District Action Needed to Eliminate Dangerous Exemptions for Solvents

Dear Board Members,

C13-P

We're writing to urge you to prohibit the use of stratospheric ozone-depleting chemicals or toxic chemicals as substitutions for smog precursors. Widely-used chemicals such as TCA (1,1,1-trichloroethane, also known as methyl chloroform), CFC-113 (chlorofluorocarbon 113), and Methylene Chloride are treated as exempt solvents by certain district regulations because they do not contribute to the formation of ground-level ozone in smog. These exemptions make the chemicals attractive to industry as substitutes for smog-forming chemicals and thus encourages their use as metal degreasers, paint thinners, circuit board cleaners, etc.

However, TCA and CFC-113 do significant damage to earth's protective upper-atmosphere ozone layer, which shields us from harmful incoming ultra-violet radiation, and also may pose toxic hazards to workers and the community. Methylene chloride is listed by the state as a cancer-causing chemical.

RATIONALE FOR BOARD ACTION:

1. Destruction of the ozone-shield by TCA and CFCs allow increased solar radiation to reach the ground, resulting in severe health and environmental damage. Because of this, EPA estimates that the phase-out of TCA alone before the turn of the century would prevent about 4 million skin cancer cases, 65,000 cancer deaths, and 364,000 cases of eye cataracts in Americans born before the year 2075. However, TCA will not be phased out under federal regulations for over a decade. CFC-113 is eight times more potent than TCA as an ozone-destroyer.
2. Smog formation is also expected to increase due to the destruction of the ozone shield, because additional incoming ultra-violet radiation can increase the photochemical reactions which cause the formation of ground-level ozone. Thus exempting ozone-depleting chemicals from smog regulations is counter-productive.
3. The South Coast Air Quality Management District has already adopted a policy to phase out ozone-destroying chemicals. BAAQMD staff have also begun to recognize the problem in developing new regulations, but the District has no policy on this issue and needs to adopt one.

(cont)

4. Hundreds of thousands of pounds per year of cancer-causing methylene chloride are emitted within the District. The District is making progress toward plans to control air toxics, but it first needs to plug the loophole in its smog regulations so that increased emissions of carcinogens will not be allowed. Recent district regulations which do not exempt methylene chloride should be used as models for all District regulations, and should be explicit District policy.

5. The District has the authority to regulate non-smog precursors. At a minimum, the District has the duty to ensure that its regulations don't contribute to environmental problems through inappropriate exemptions.

6. The BAAQMD Clean Air Plan represents both a danger and an opportunity. If more stringent smog controls are put in place which allow exemptions of ozone-destroying chemicals and toxics, industries will switch to those chemicals. If ozone-destroyers and toxics are regulated at the same time as the smog-forming chemicals, large emissions reductions can be accomplished in all categories.

RECOMMENDATIONS:

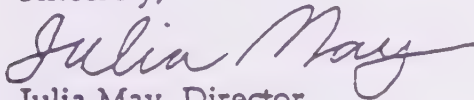
The District is now reviewing and amending all or most of its regulations under the state Clean Air Plan to attain reductions in hydrocarbons and nitrogen oxides. This is the perfect time to review rules at the same time for potential reductions in ozone-destroying and toxic chemicals such as TCA, CFC-113, and methylene chloride. The District should take the following steps:

1. Remove exemptions for TCA and CFC-113 from existing and planned District rules during the Clean Air Plan review process.
2. Remove exemptions for methylene chloride from existing and planned District rules during the Clean Air Plan review process.
3. Add policy language to the Clean Air Plan prohibiting the use of upper-atmosphere ozone-destroying and toxic chemicals as substitutes for smog-forming chemicals. The California Air Resources Board included such language in its recent regulation of consumer products (see attachment).
4. Develop a more comprehensive policy and additional regulations to phase-out emissions of ozone-destroying chemicals. For example, Bay Area cities have already adopted requirements for capture and recycling of auto air conditioner (and other) refrigerants (CFC-12) using existing, available technology. Wasteful practices of venting refrigerants to the atmosphere during servicing are easily preventable and should be prohibited District-wide through a recycling rule.

Thank you for your attention to this problem. We urge that the Board adopt a resolution to carry out the recommendations stated above. The District is making important strides in many new areas: proposed refinery improvements to drastically reduce hydrocarbons, controls on nitrogen oxides which have been largely unregulated, and plans to control toxics. Now is the time to ensure that the District does not ignore the problems of destruction of the ozone shield and exemptions for toxics, nor the role the District still plays in exacerbating these problems.

Thank you again for your time and consideration.

Sincerely,



Julia May, Director
Northern California Clean Air Program
Citizens for a Better Environment



Peter Drekmeyer
Bay Area Action Network



Bruce Lee Livingston
Clean Water Action



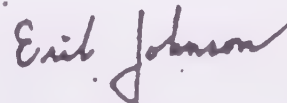
Deborah Bruns
CALPIRG



Denis Hayes
Earth Day



David Phillips
Earth Island Institute



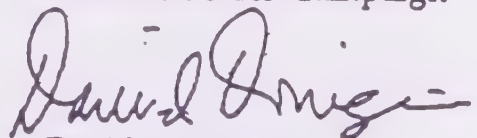
Erik Johnson
Greenpeace Action



Nancy Skinner
Local Solutions to Global Pollution



Michael Picker
National Toxics Campaign



David Doniger
Natural Resources Defense Council



John Holtzclaw
Sierra Club



Ted Smith
Silicon Valley Toxics Coalition

C13-40

APPENDIX 4



****By Telephone Facsimile****

June 28, 1991

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CA 94704
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C13-P

BOARD OF DIRECTORS:
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STANLEY K. SHEINBAUM
OLIVER STONE
NORM ZAFMAN

Osby Davis, Chair, and Members of the Board of Directors
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94102

**Re: Board directions on ozone shield proposal have not
been carried out**

Dear Board Members:

This is a letter to followup on the proposal by our coalition on destruction of the ozone shield. On March 20, 1991, we wrote you a letter urging prohibition of upper-atmosphere ozone-depleting chemicals (such as TCA and CFC-113) and toxic chemicals (such as methylene chloride), which are treated as exempt solvents by certain district regulations because they do not contribute to the formation of ground-level ozone.

We thank the Board for your enthusiastic response to our letter at that time. This included a call by the Board for a report from the staff within one month, and statements by Board members in support of our proposed steps. These steps included removing district exemptions (see attached letter).

We are concerned that our proposal has not made any progress since your favorable response. In fact, we feel that the staff has not given the proposal high priority.

We are writing to urge that the Board direct the staff to include our proposal in the Clean Air Plan. Since the Clean Air Plan includes modification of most district regulations, it presents

the perfect opportunity for removing these exemptions. However, if the exemptions are not removed, the problem will probably worsen as smog regulations are tightened and industries convert even further to exempt chemicals.

TCA and CFC-113 do significant damage to the earth's upper atmosphere ozone layer which protects us from harmful incoming radiation. A recent NASA study indicates that there could be an additional 200,000 deaths over the next 50 years in the USA due to skin cancer from ozone depletion. Proportionally, by 1990 census figures, **this would result in 4800 additional cancer deaths in the District alone.** These figures do not even include the other harmful health effects (such as eye cataracts) due to ozone depletion.

The chemicals are emitted in the District in large quantities. The District lists 2,700,000 lbs/yr of TCA and 895,000 lbs/yr of methylene chloride in the inventory. The District does not break down emissions of CFC -113, although it is widely used in this region.

Since emission figures are large, the District can make a sizable contribution to the solution of the problem. Such a contribution would be in line with many of the issues that the District has been actively working to solve.

Please direct your staff to immediately include in the Clean Air Plan a prohibition on ozone depleters and toxics as substitutes for smog precursors. In addition, please schedule further Board discussion of the additional steps we outlined (in the attached letter) for consideration for adoption.

Thank you for your time and consideration.

Sincerely,

Julia May
Northern California Director, Clean Air Program
Citizens for a Better Environment

**Response to Comment
Letter C13**

RESPONSE C13-1	See CAP FEIR Response to Comments document.
RESPONSE C13-2	See CAP FEIR Response to Comments document.
RESPONSE C13-S1	See Responses C13-S5 through C13-S50.
RESPONSE C13-3	See CAP FEIR Response to Comments document.
RESPONSE C13-4	See CAP FEIR Response to Comments document.
RESPONSE C13-S2	The comment is noted.
RESPONSE C13-5	See CAP FEIR Response to Comments document.
RESPONSE C13-6	See CAP FEIR Response to Comments document.
RESPONSE C13-7	See CAP FEIR Response to Comments document.
RESPONSE C13-8	See CAP FEIR Response to Comments document.
RESPONSE C13-P	See Section 1.2 regarding comments on the CAP.
RESPONSE C13-9	See CAP FEIR Response to Comments document.
RESPONSE C13-10	See CAP FEIR Response to Comments document.
RESPONSE C13-11	See CAP FEIR Response to Comments document.
RESPONSE C13-12	See CAP FEIR Response to Comments document.
RESPONSE C13-13	See CAP FEIR Response to Comments document.
RESPONSE C13-14	See CAP FEIR Response to Comments document.
RESPONSE C13-15	See CAP FEIR Response to Comments document.
RESPONSE C13-16	See CAP FEIR Response to Comments document.
RESPONSE C13-17	See CAP FEIR Response to Comments document.
RESPONSE C13-18	See CAP FEIR Response to Comments document.
RESPONSE C13-19	See CAP FEIR Response to Comments document.
RESPONSE C13-20	See CAP FEIR Response to Comments document.

RESPONSE C13-21	See CAP FEIR Response to Comments document.
RESPONSE C13-22	See CAP FEIR Response to Comments document.
RESPONSE C13-23	See CAP FEIR Response to Comments document.
RESPONSE C13-24	See CAP FEIR Response to Comments document.
RESPONSE C13-25	See CAP FEIR Response to Comments document.
RESPONSE C13-26	See CAP FEIR Response to Comments document.
RESPONSE C13-27	See CAP FEIR Response to Comments document.
RESPONSE C13-28	See CAP FEIR Response to Comments document.
RESPONSE C13-29	See CAP FEIR Response to Comments document.
RESPONSE C13-30	See CAP FEIR Response to Comments document.
RESPONSE C13-31	See CAP FEIR Response to Comments document.
RESPONSE C13-P	See Section 1.2 regarding comments on the CAP.
RESPONSE C13-S3	See Response C13-S5 through C13-S50.
RESPONSE C13-S4	See Response C13-S5 through C13-S50.
RESPONSE C13-S5	<p>The Socioeconomic Report is not intended as a cost/benefit analysis. It tends to emphasize costs over benefits because the District is concerned that the public and businesses understand the costs of achieving clean air in order to achieve the transitions in the regional economy with a minimum of dislocation expense.</p> <p>The Socioeconomic report cites studies done to show the health benefits of clean air; however, District resources are not available to replicate such studies with regard to the CAP itself.</p>
RESPONSE C13-S6	<p>The report discusses many benefits of the CAP for low income persons. However, the fact remains that some lower income individuals may have to pay higher transportation costs as a result of the some of the measures. The intent of the Socioeconomic Report is to point out that this may occur if proper mitigation and phasing of the various measures is not assured. With such mitigation, the report concludes that "the financial impacts of the market-based measures [on low income persons] can be avoided (p.48)."</p>

RESPONSE C13-S7	The social transfer concept is explained on pp. 6, 22, 45, and 47 of the report.
RESPONSE C13-S8	Since the Socioeconomic report is not intended as a cost/benefit analysis, it is appropriate to indicate who must pay for the benefits of cleaner air. While it is essential to note that many of the expenses will not represent new costs to the regional economy, it is also important to identify specific sectors that will incur additional expenses due to implementation of the CAP. In addition, Table 1 does identify some expenses, in the "cost" column, as "social transfers."
RESPONSE C13-S9	The Socioeconomic impacts of the CAP are only one set of considerations in adopting the CAP. The DEIR identifies other concerns and benefits, including benefits to air quality, public health, traffic and water quality, that should also be taken into account when considering the overall merits of the CAP.
RESPONSE C13-S10	See Responses C13-S11 through C13-S17.
RESPONSE C13-S11	The designation of these charges as transfers sufficiently implies that the revenues would be used for social benefits. It is nevertheless important to employees to know that they would be asked to pay approximately these amounts. Specifically how the transfers would be converted to benefits cannot be determined without further specificity in the CAP measures themselves. In particular, the functional and temporal relationships among the measures must be further determined in order to describe how the funding flows would occur.
RESPONSE C13-S12	The comment is correct that of the \$1.46 billion, only \$1.3 billion is a transfer; however, the primary intent of this entry in the table is to indicate the out-of-pocket charges that employees would be liable for under the program. The distinction between social transfers and net costs related to TCMs 1 and 2 is clearly described on pp. 45-46 of the Socioeconomic Report.
RESPONSE C13-S13	The Employee Parking Fees entry in Table 1 is intended to show the out-of-pocket expenses associated with the program, not the "net cost" to employees. The distinction between social transfers and net costs related to TCMs 1 and 2 is clearly described on pp. 45-46 of the Socioeconomic Report.
RESPONSE C13-S14	In Phase 1, it is expected that certain employers will elect to implement a trip reduction program and absorb the administrative costs of the program, without charging employee parking fees. The parking fees do not become mandatory until Phase 2 of the CAP.

RESPONSE C13-S15	The \$1.1 billion should be shown as a benefit as discussed on page 47 of the report. This is a typographical error in Table 1. See revisions in Table 1 of the this document, Chapter 2, Summary of Socioeconomic Impacts.
RESPONSE C13-S16	The negative impact relates to low income persons who cannot avoid driving and paying the parking charge. The commenter is correct that to the extent that low income groups continue their high rate of transit use, they would benefit from these measures and from the CAP in general.
RESPONSE C13-S17	Page 37 of the report acknowledges that few would consider slower growth in health service employment a significant adverse impact.
RESPONSE C13-S18	It should be noted that the policy decision that the benefits of clean air outweigh the potential costs has been made by the State Legislature, as reflected in the California Clean Air Act. The Socioeconomic Report is intended to report potential cost impacts in order to assist in formulating mitigations and implementation strategies to minimize the adverse impacts.
RESPONSE C13-S19	Most of the discussion on pp. 37-38 of the report concerns the potential health benefits. This discussion is located in Section 3 of Business Impacts because it would result in higher worker productivity and lower health care costs for industry as well as improving the quality of life of Bay Area residents. The reduction in health services employment is a minor aspect of the discussion.
RESPONSE C13-S20	District resources are not available at this time to attempt to replicate such studies.
RESPONSE C13-S21	The South Coast Report reference also includes jobs gained, which can be considered a proxy for increased worker productivity due to improved health conditions.
RESPONSE C13-S22	For an analysis of socioeconomic effects of the CAP, please see the Socioeconomic Report for the 1991 CAP. The Draft EIR for the 1991 CAP also discusses benefits of the CAP. In addition, see Response C8-6 in the CAP FEIR, Response to Comment document.
RESPONSE C13-S23	The CAP section quoted in the comment is an invitation for public comment. It does not reflect an expectation on the part of the District that the public is responsible for providing needed data.
RESPONSE C13-S24	See Responses C13-S25 through C13-S29.
RESPONSE C13-S25	More efficient land use and conservation of open space are benefits included in the entry "Improved Quality of Life." However, a detailed

analysis of the reduced demand for land for parking is beyond the scope of the Socioeconomic Report.

RESPONSE C13-S26 See Response C13-S21.

RESPONSE C13-S27 The comment is noted. However, this is beyond the scope of the Socioeconomic Report. It should be noted that the CAP responds to the requirements of the California Clean Air Act rather than the federal Clean Air Act.

RESPONSE C13-S28 Comment noted.

RESPONSE C13-S29 This kind of approach to the analysis has not been adopted by BAAQMD. The CAP has been prepared in response to the California Clean Air Act. The BAAQMD believes that to adequately convey the CAP's potential impacts, the environmental and socioeconomic analysis must analyze the entire CAP.

RESPONSE C13-S30 See Responses C13-31 through C13-S35.

RESPONSE C13-S31 The totals in Table 6 reflect an earlier version of the table. This error will be corrected in the final version of the Socioeconomic Report. Correct totals should be \$107,246 for the first column and \$339,504,946 for the second column.

RESPONSE C13-S32 The comment is noted. Footnotes 2 and 4 explain that compliance data could not be estimated for fourteen measures and several of the industries. It is instructive that despite such omissions, the cumulative impact of the stationary control measures is less than one percent of total industry output.

RESPONSE C13-S33 Page 6 is in error. All figures are in 1991 dollars and is so reported throughout Section 3 of the report. The parentheses following the first bullet under Stationary Control Measures, on page 6 of the Socioeconomic Report will be revised to read: (1991).

RESPONSE C13-S34 See Response C13-S29.

RESPONSE C13-S35 The comment is noted. However, this is beyond the scope of the Socioeconomic Report.

RESPONSE C13-S36 See Response C13-S6.

RESPONSE C13-S37 See Responses A2-S3 and C13-S16.

RESPONSE C13-S38 The comment is noted.

RESPONSE C13-S39	The comment is noted. Benefits of improved transit to low-income groups is discussed on page 46 of the Socioeconomic Report.
RESPONSE C13-S40	The comment is noted. Benefits from improved health of low-income groups resulting from cleaner air are identified in Table 1 of the Socioeconomic Report.
RESPONSE C13-32	See CAP FEIR Response to Comments document.
RESPONSE C13-33	See CAP FEIR Response to Comments document.
RESPONSE C13-S41	See Response C13-S42 through C13-S45.
RESPONSE C13-S42	<p>There are no dollar figures in Table 1 that required conversion to current dollars. The highway travel time savings, administrative costs, and out-of-pocket expenses were all reported in 1991 dollars by their sources (BAAQMD and Deakin/Harvey/Skabardonis, Inc.). In Table 6 and elsewhere, the 1987 census data was converted to 1991 dollars using the actual CPI index, which has hovered below five percent during the past few years. For the conversion of current dollars to 2005 dollars, a more standard and conservative five percent inflation factor was used. This is not an inconsistency, but rather reflects the two different purposes for which the escalation procedures were used. However, due to the revised phasing of the market based measures, the analysis has been changed to reflect 1991 dollar figures (please refer to response C13-S43).</p>
RESPONSE C13-S43	<p>This analysis of the market-based measures is the only place in the report where any attempt is made to estimate the compliance and implementation costs of the measures in the actual year they would come on line, because the phasing of the CAP is only outlined in general terms. In fact, the phasing scheme in the Final CAP is different than in the Proposed CAP. In general, the approach throughout the report is to indicate what the costs and benefits would be if all the measures were implemented in 1991. The actual future costs at the time specific measures are actually implemented may be different.</p> <p>Now that the phasing of the market-based measures has been changed, the analysis of impacts in 2005 is deleted from the report and replaced with the following [to replace the entire text under the heading <u>Market-Based Measures</u> on page 47]:</p> <p>As discussed in the chapter on business impacts, the market-based TCMs involve a higher level of consumer impact. The aggregate costs to drivers could reach \$3 billion per year. The reduced congestion from these revenue measures would provide a benefit of \$1.1 billion per year to drivers in the region. In</p>

terms of the out-of-pocket expenses of \$3 billion, though, it would mean an annual expense of about \$1,300 per year per household.¹

Of course, travel patterns vary considerably among households and very few would actually experience the average cost expressed here. It is estimated that poor households accumulate less than half the national average of annual vehicle miles traveled (VMT)², which would suggest that they would be less affected by market-based measures such as the increased gas tax and mileage-based vehicle registration fees. However, it is also true that lower income groups have a higher dependence on older vehicles that run less efficiently and tend to emit higher pollutant levels. All of the market-based measures, except the congestion pricing program and parking fees, are highly sensitive to vehicle performance as well as miles traveled. In Alameda County, where the 1980 percentage of persons in poverty was the highest in the region, the current very low income standard for a family of four is \$23,400.³ If such a family saw its driving expenses increase by \$1,300, it would represent 5.6 percent of its gross income. This would be considered a significant adverse impact on the cost of living for low income residents. In comparison, the financial impact of the market-based measures would be about 2.5% of the average household income in the region.

These costs function as transfers within society to individuals willing and able to adjust their travel patterns to increase use of transit modes, as well as helping to enhance the general quality of life through improved air quality. To the extent that low income residents are able to make these adjustments, the financial impact of the market-based measures can be avoided. As the NEDLC report concludes, "efforts intended to reduce congestion and gridlock must be accompanied by efforts to improve operations of the public transit system, which is disproportionately used by minorities and the poor." It is in this vein that the timing of the mobility improvements and the market-based measures is critical. The current capacity of the transit system is not adequate to mitigate the impacts of the

¹ Based on 2,284,080 households in the region in 1990 as estimated by ABAG.

² National Economic Development and Law Center (NEDLC), Communities at Risk, Regional Transportation Issues in the Bay Area: The Concerns of Communities of Color and Low Income Neighborhoods. 1990.

³ Data provided by Eric Uranga, Alameda County Planning Department.

market-based measures. In terms of other mitigation avenues, it has been proposed on a statewide level to accompany policies that use a market-based approach to pricing auto transportation facilities with an income tax transportation credit, similar to the renters' credit currently allowed by the state. Through this mechanism, the impact of these kinds of measures could be reduced for economically disadvantaged groups.

In order to make the summary consistent with the above revisions, on page 7, second bullet, third line, the 7 percent figure should be changed to 6 percent and the 2 percent figure should be changed to 2.5 percent.

RESPONSE C13-S44	Please refer to response C13-S43 for a revised analysis.
RESPONSE C13-S45	Please refer to response C13-S43 for a revised analysis.
RESPONSE C13-S46	Please refer to response C13-S43 for a revised analysis.
RESPONSE C13-S47	The comment is noted.
RESPONSE C13-S48	The Socioeconomic Report has been revised and corrected where necessary.
RESPONSE C13-S49	See Response C13-S11.
RESPONSE C13-S50	See Response C13-S20.
RESPONSE C13-P	See Section 1.2 regarding comments on the CAP.

rec'd 8/19/91

LETTER C14

Southland Mall

August 19, 1991

VIA HAND DELIVERY

Mr. Henry Hilken, Planner
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Re: Comments on the Draft Environmental Impact Report
for the Bay Area 1991 Clean Air Plan

Dear Mr. Hilken:

These comments are submitted on behalf of the Southland Mall, a shopping center located in Alameda County in the City of Hayward. The Southland Mall directly employs about 1,500 Bay Area residents as administrative, maintenance, clerical, retail and food service workers. Many of these jobs are held by working class people already living in one of the least affordable regions of the country, with the most stringent air quality standards in the country, and bearing a heavy tax burden. (We note that the draft EIR states that retail businesses employ 16 percent of all workers in the Bay Area). The number of jobs the mall creates indirectly for Bay Area residents (in, for example, manufacturing, sales and services) is incalculable.

The draft Environmental Impact Report for the Bay Area 1991 Clean Air Plan (the "draft EIR" and the "'91 CAP," respectively) does not adequately identify the impacts of the transportation control measures (TCMs) proposed by the draft '91 CAP, fails to address the legal shortcomings of the '91 CAP, identifies serious impacts from the TCM's without adequate mitigation and ignores flaws in the basic conceptual spirit and assumptions of the '91 CAP.

Because of the lack of specificity of many of the TCM's identified in the '91 CAP (e.g., trip reduction programs, developer-subsidized and employer subsidized programs and indirect source control programs), their impacts cannot be adequately assessed. The '91 CAP does not identify, for instance, the size or type of employers to be regulated or the agency responsible for implementation or enforcement of the employer-subsidized programs. This raises further concerns in that the Congestion Management Plans for the region currently in the process of development must be consistent with the '91 CAP.

C14-1

C14-2

C14-3

One Southland Mall
Hayward, CA 94545
415-782-5050
415-887-9619 FAX

Owned and Managed by Equity
Properties and Development Company

C14-P

A further consequence of the lack of specificity of the proposed TCMs is that they cannot be assessed for their cost-effectiveness, technological feasibility, total emission reduction potential, rate of reduction, public acceptability and enforceability as required by California Health & Safety Code Section 40922. For these reason, and because the draft '91 CAP impermissibly infringes on the power of local governments to regulate land use decisions (in violation of California Health & Safety Code Section 40716(b)), we believe that the '91 CAP's "ROG-First Control Strategy" is no more legally-viable than the "No Project" alternative.

C14-3

C14-4

With regard to the cost-effectiveness and potential emissions reductions assessments, we believe that any program which focuses on employers and commuters is misguided. Commuters only account for about 20% of the vehicle trips according to the draft EIR. Thus, restriction of these necessary trips cannot effectively eliminate a significant source of vehicle emissions. Further, without an adequate transit infrastructure already in place, these measures will only create new problems and frustrations for business and trade in the Bay Area and for employees forced to abandon their cars for an inadequate alternative -- delayed commutes on an already congested transit system subject to frequent breakdowns and incomplete service areas and times. It is difficult to see how a single working parent can have the flexibility needed to care for a child and hold a job while having to depend exclusively on public transit or alternatively having to pay for parking while shopping, going to work and transporting her children to school or care facilities. It is also difficult to imagine how already strained local governments, short of funds to keep open schools and maintain public property, will be able to absorb the additional costs of implementing and enforcing the proposed TCMs.

C14-S1

With regard to parking management fees, both for employees and consumers, it is clear that the greatest impacts of such regressive measures will be on the least privileged members of our society. While these measures are proposed to be implemented as soon as possible, the necessary transit infrastructure to obviate the need for vehicles will not be in place until some unspecified date in the future. Currently, funding does not even exist for current, let alone, projected, transit needs. This raises the question, not addressed in the draft EIR, of who will bear what portions of the cost of cleaner air?

We believe that shopping centers, by bringing together a large variety of stores in a single place to serve consumer

needs, may actually reduce vehicles miles traveled and congestion and parking problems in the Bay Area, by internalizing "combined trips." Shopping centers are the type of mixed use, high density development which should be encouraged under the '91 CAP. The role of the shopping center as a safe, clean social community center for young people should also not be overlooked. These positive contributions would be severely impacted by the imposition of parking fees on shopping center patrons. Many Bay Area residents might choose to drive to shopping centers outside of the Bay Area region to avoid the parking and other fees to be imposed under the '91 CAP, thereby increasing vehicle emissions by increasing total vehicle miles traveled and hurting the economy of the Bay Area by spending money elsewhere. The only way to avoid this undesirable outcome is through imposition of market-based measures such as a gas tax to create disincentives to long-distance driving.

C14-5

The costs of the '91 CAP in terms of reduced trade, increased travel times, increased costs of goods do to retailer pass-throughs of employer-subsidized costs and restrictions on personal freedom are dealt with only superficially in the draft EIR and in the Socio-economic Report. As the draft EIR mentions "to the degree that Bay Area firms are successful in passing along compliance costs to their customers, the resulting price increases would contribute to the region's rate of inflation" in a spiral of higher prices leading to reduced demand, declining output and, ultimately, job loss. Were the public made more aware of the potential impacts it faces, from job loss to mobility loss, we believe it would make its opinion known through widespread opposition. Discussions with our employees have raised many concerns amongst them concerning impacts of the '91 CAP.

C14-6
C14-S2

The draft EIR identifies significant impacts from implementation of TCMs for which it fails to provide adequate mitigation. For instance, the increased emission of diesel exhaust from buses is to be mitigated by methanol-fueled or electric buses. Where is the source of funds for this conversion? How technologically-feasible and environmentally safe are methanol buses? Increases in emissions of carbon monoxide at intersections in the vicinity of transit facilities are not likely to be mitigated by traffic/air quality analyses or vague "encouragements" to take actions to reduce this impact, but are likely to affect the most disadvantaged sectors of the region's population. Addressing impacts of parking overflows into neighborhood surrounding transit station and major employers from implementation of TCMs by shunting responsibility for designing and implementing parking control measures onto

C14-7

C14-8

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developers, transit operators, cities and counties is an abdication of responsibility by the BAAQMD. It does not address the simple fact that when you press on one side of a balloon, it will swell at another side or pop. The backups, congestion, overflow parking and added emissions caused by parking charges being required at parking lots is of particular concern.

C14-9 — With regard to costs and impacts of the indirect source control program, the measure of greatest concern to us and our tenants, the draft EIR frankly admits "the likely travel impacts of this TCM are difficult to identify in the absence of information on the contents... and the lack of any experience to date with such a program" (draft EIR, p. 4.2-47). The BAAQMD should give this program content before proposing it in a plan which it intends to put out for meaningful comment.

C14-10 — The BAAQMD's belief that "legislative authority to implement the market-based [TCMs] cannot be put into place before 1997" (draft EIR, p. 2-9), belies an important point: these measures may not be publicly acceptable. In the absence of the political will to make changes which would be dependent on people making choices and being given incentives as to how to spend and pollute, the BAAQMD has chosen instead to create further bureaucracy, a system for rationing the roadways and to impose command and control measures on employers. Although the "Accelerated Market-Based TCM" Alternative was identified as the environmentally superior alternative to the "ROG-First Control Strategy" because "it would achieve larger emissions reductions earlier, thereby reducing the exposure of the population to high levels of ozone sooner" (draft EIR, p. 2-9), the draft EIR assumes "this alternative is very unlikely to be possible to implement." We believe, like the BAAQMD itself, that the Accelerated Market Based TCM Alternative is the environmentally superior alternative; unlike the BAAQMD, we believe people are capable of making and must be given the opportunity to make decisions which affect their lifestyles, spending decisions and the air they breathe.

C14-1 — It is our position that with proper public education and outreach, the market-based measures could be implemented; if they cannot, it means the measures are publicly unacceptable and therefore should not be implemented. Our society, particularly here in the West, has long held that people have the right to choose for themselves what they believe to be best for them. If the costs of a certain standard of clean air becomes unacceptably high to a society, it has the right to reject measures it finds too restrictive regardless of any implementing agency's mission. The BAAQMD's primary role should be to serve the needs of the

Mr. Henry Hilken, Planner
Bay Area Air Quality Management District
August 19, 1991
Page 5

people of the region. If it cannot convince them of the efficacy of certain measures, it should question those measures, not the political judgment of the people.

The '91 CAP assumes an inability by the public to reach a consensus on measures which would increase funding to improve transit, leading the planners to take a centralized command and control approach, rather than allowing people to make decisions for themselves. The basic approach of the District fails to rely on cooperation and voluntarism, restricting personal freedom and choice in an un-American way. The recent success of voluntary water rationing in several Bay Area counties should set the tone for measures in the '91 CAP, not strategies involving centralized rationing of road space.

We appreciate the opportunity to comment on the draft EIR and look forward to our concerns about the impacts of the '91 CAP being adequately addressed in mitigative measures in the final EIR for the '91 CAP.

Sincerely,



David Brown *hau*
General Manager
SOUTHLAND MALL

C14-12

C14-P

**Response to Comment
Letter C14**

RESPONSE C14-1	See CAP FEIR Response to Comments document.
RESPONSE C14-2	See CAP FEIR Response to Comments document.
RESPONSE C14-P	See Section 1.2 regarding comments on the CAP.
RESPONSE C14-3	See CAP FEIR Response to Comments document.
RESPONSE C14-4	See CAP FEIR Response to Comments document.
RESPONSE C14-S1	<p>Under Phase 1 of the CAP, the District will set performance standards for compliance with the employer-based trip reduction program and indirect source review program. Employers and indirect source operators will have the option of charging for parking and/or implementing other trip reduction efforts in order to comply. In addition, the District will pursue legislative authority for market-based TCMs, including smog fees, gasoline taxes, bridge tolls and parking charges. The proposed approach is to begin with low fees, use the revenues to enhance transportation options and address equity impacts, and increase fees as transportation options become more available.</p> <p>The Socioeconomic Report does identify potentially adverse impacts to low income households resulting from implementation of the market-based TCMs, particularly if mobility improvements are not in place when the fees are assessed. The District considers this to be a very important issue that must be addressed during the legislative process and development of authorized programs.</p>
RESPONSE C14-5	See CAP FEIR Response to Comments document.
RESPONSE C14-S2	While the impacts noted in the comment may occur, the Socioeconomic Report also indicates that, "[o]ver the longer term, many of these economic impacts will become less significant as the economy adjusts to increased use of alternatives to the single occupancy vehicle (p. 22)." However, the report is structured to show potential costs to employees and consumer groups.
RESPONSE C14-7	See CAP FEIR Response to Comments document.
RESPONSE C14-8	See CAP FEIR Response to Comments document.
RESPONSE C14-9	See CAP FEIR Response to Comments document.

RESPONSE C14-10	See CAP FEIR Response to Comments document.
RESPONSE C14-11	See CAP FEIR Response to Comments document.
RESPONSE C14-P	See Section 1.2 regarding comments on the CAP.

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Bay Area Council established in
5 is a business-sponsored organiza-
dedicated to analysis and action on
mal issues. Its program currently
es on regional growth management,
ing, transportation, and education
training. The Council co-sponsors
ay Area Economic Forum

August 16, 1991

Mr. Henry Hilken, Planner
Bay Area Air Quality Management District
939 Ellis St.
San Francisco, CA 94109

Dear Mr. Hilken:

The Bay Area Council, a regional public affairs organization sponsored by over 250 major businesses, submits the following comments on the Draft Environmental Impact Report (DEIR) for the Bay Area 1991 Clean Air Plan (CAP). We also attach the comments of Federal Reserve Bank vice president and economist Randall Pozdena regarding the Socioeconomic Report for the CAP, to which we request your formal response.

Relationship Between Short-Term Uses of the Environment and the Maintenance of Long-Term Productivity, p. 2-8

C16-1

The DEIR states that "there would be some short-term adverse impacts from implementation of the CAP . . . (including) the commitment of financial, material, and human resources." We disagree that these adverse impacts will be "short-term" in nature. The 1991 CAP is merely a starting point for a regulatory project to attain state ambient air quality standards, including for the pollutant ozone. And since the ozone standard is practically unattainable, that regulatory project is likely to cause adverse impacts for the foreseeable future.

Impact 4.2-22 TCM 16 would result in a net reduction in vehicle-trips and vehicle-miles traveled (VMT). This would be a beneficial travel effect. TCM 16 is not expected to produce significant negative impacts on travel delays, travel safety, travel discomfort or parking overflow.

C16-2

The CAP indicates that "new highways and road improvements which have the potential to generate additional traffic may also be classified as indirect sources." Yet, the DEIR contains no discussion of the potential impact of treating highways as indirect sources. MTC has raised the issue of whether indirect source review of highway projects will duplicate or interfere with MTC's role in making conformity determinations pursuant to the federal Clean Air Act Amendments of 1990. As a practical example, what would be the effect on "travel delays, travel safety, travel discomfort" if MTC approved construction of a road widening project, but the Air District disapproved it?

C16-3

Cumulative Impacts and Mitigation Measures, p. 4.2-55

The DEIR states that the CAP "would offset roadway congestion and, by calling for improved transit facilities, would offset transit congestion as well." The conventional wisdom is that improvements in traffic congestion and air quality go hand-in-hand. Yet, a number of strategies to reduce congestion -- such as flextime, park & ride lots, and remote telework centers -- rely on shifting trips out of peak periods or shortening trips, not eliminating them. Specifically, these strategies could assist the private sector and local government in complying with another recent state mandate, the Congestion Management Program legislation. Will the Air District encourage or discourage these strategies?

C16-4

Impact 4.4-1 TCM's 1 and 2 would result in the employment of transit coordinators, by government agencies and private employers. This would be a beneficial effect.

This is an astounding statement. The employment of transit coordinators certainly would benefit the persons hired to fill such positions -- just as an Air District rule requiring each Bay Area business to hire five new people to count paper clips would benefit those hired to do the counting. The relevant question is: at what cost comes this "benefit"?

C16-5

The DEIR estimates that "the employment of transit coordinators could cost the private sector \$150 million per year." This, then, is the minimum cost of the employer trip reduction program. By letter to the Council dated July 19, 1991, the Air Pollution Control Officer stated that the trip reduction rule "is expected to result in a hydrocarbon reduction of 3.5%", which is contingent on the assumption that "the rule can set a performance standard equivalent to a \$3 per day parking charge." If this assumption is to be validated, Bay Area employers would need to do much more than hire transit coordinators to exhort workers to rideshare. Employers would have to offer transit subsidies and other financial incentives. If half the workforce affected by the proposed rule (about 1.5 million employees) were paid a \$20 monthly transit subsidy, the added private sector cost of the program would be \$360 million per year. In other words, either the District is overstating the effectiveness of the trip reduction rule, or understating its cost.

C16-6

The DEIR is "unclear" whether employers could absorb these program costs "without cutting employment costs elsewhere". It is not unclear to us. Either the company absorbs the costs, or consumers will pay higher prices for its goods and services. In the former case, the proposed rule would adversely affect job growth or productivity, or

both. In the latter instance, the proposed rule would have an inflationary effect on the regional economy.

Finally, the DEIR notes that "certain employers may choose to fund the program without increasing costs to their employees." For private and public sector employers that operate under collective bargaining agreements with employee labor unions, there may be little "choice" in the matter at all.

Impact 4.4-5 Mobility measures should have largely positive effects on business, including reduced costs of goods transportation due to improved road conditions. This may counteract the increased costs and associated employment impacts of other air quality rules. This would be a beneficial impact.

The Socioeconomic Report estimates that proposed stationary source controls will cost the region over 11,000 jobs. As noted above, there is also a potential adverse employment impact of employer-based transportation control measures. The DEIR presents no evidence that the effect of mobility measures on business could "counteract" these job losses. In addition, the use of employment impact statistics from MTC's Regional Transportation Plan (RTP) is misleading. The RTP contemplates \$34 billion in transportation improvements by the year 2010, while known funding totals only \$13 billion during that period.

Impact 4.4-7 Indirect Source Review may increase development costs in certain locations and alter the distribution of employment over the long term. This would be a less than significant impact.

The text in this section omits a number of potentially significant impacts:

(1) The CAP proposes an indirect source control rule for both new and existing sources, but there is no discussion in the DEIR of costs to retrofit existing facilities (i.e. bus shelters, bike racks, showers, etc.).

(2) The CAP states that the indirect source control program would cover commercial and residential projects, yet the DEIR analyzes only impacts to commercial development. What effects will the proposed rule have on residential project densities, design, and housing costs?

(3) In his letter to the Council dated July 19, 1991, the Air Pollution Control Officer stated that the cost-effectiveness analysis of the indirect source control program assumed the implementation of various "design review guidelines" only. Is the same assumption being made for purposes of the DEIR? If not, then the DEIR should analyze

C16-7

C16-8

C16-9

C16-10

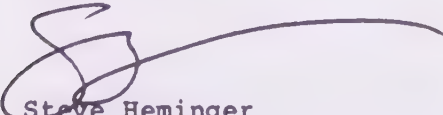
C16-11

Mr. Henry Hilken
August 16, 1991
Page Four

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the impact of a more permit-oriented program, including the effects on
development of permit fees, permit delays, permit litigation, miti-
gation fees, and mitigation measures.

Thank you very much for your time and attention to our comments.

Sincerely,


Steve Heminger
Vice President

FEDERAL RESERVE BANK OF SAN FRANCISCO

101 MARKET STREET. SAN FRANCISCO. CALIFORNIA 94105

RANDALL J. POZDENA, PhD
Vice President
415.974.3176

August 14, 1991

Mr. Steve Heminger
Vice President
Bay Area Council
200 Pine Street, Suite 300
San Francisco, CA 94104

Dear Steve:

As an economist, and member of the Steering Committee of the Bay Area Economic Forum, I welcome the opportunity to comment on the Socioeconomic Report of the Bay Area 1991 Clean Air Plan (CAP).

In general, the authors of the Report face clear challenges in assessing the impact of a proposal as complex as the CAP, and the Report provides useful categorization of the CAP impacts. However, the underlying economic analysis is extremely poor, damaging seriously the credibility of the Report, and particularly the notion of market-based remedies.

The number of specific areas in which I have problems are numerous. At this time, let me simply offer an assessment of some of the most severe problems.

1. **Employment Impacts.** The report asserts that there will be temporary transit-construction employment gains of 2500 per year for a period of 10 years, and permanent gains due to transit operation of 2880 jobs. Since the financing of transit construction will be out of various local fee sources and fiscal devices, there can be no net employment gains. While the additional spending on transit will generate transit employment, it comes at the expense of reduced private consumption spending elsewhere, and the attendant employment generated by that spending. The same logic applies to all of the alleged multiplier effects of the transit construction.

2. **Impacts of Market-Based Remedies.** This part of the report is very seriously flawed analytically. The market-based remedies are asserted, in several places, to burden the public with far greater costs than they will derive in

C16-S1

C16-S2

benefits. This cannot be possible, unless they are not market-based remedies, and should be called something else, like "arbitrary pricing schemes, the revenue from which is thrown away."

The whole point of market-based solutions is that additional fees are charged reflecting unassessed, but preexisting actual costs: costs that are borne by society, but not by the creator of those costs. Therefore, the net impact depends upon the productivity of the use of those revenues. By returning the revenues to the very users from which they were collected, for example, there would be no net impact except collection costs; this is the virtue of a fee-based regulatory system --it can be impact-neutral if you wish it to be.

In fact, of course, the whole point of implementing market-based solutions is because we believe that the market response to these fees will, in fact, reduce rather than add to the total of transportation. One effect, for example, will be to induce demand for high-occupancy vehicle modes, which enjoy significant economics of scale (in the dimension of passenger density). Thus, highway pricing, coupled with cost-beneficial investments in highway or transit capacity, by definition, will yield large, positive net benefits.

For congestion and emission fees, therefore, the bottom line is that the input data for the Report is wrong (that is, the CAP incorporates cost-ineffective uses of the collected revenue), the Report's analysis is wrong, or both. In any case, these elements of the policy should not be called market-based solutions if they are not.

C16-S3

3. **Parking Charges.** This reasoning in this section, similarly, is seriously flawed. Because the plan anticipates forcing employers to charge for parking (under Phase 3), the Report asserts that there are net costs of \$1.46 billion to the region.

This, too, is unsound economics. The practice of not charging for parking is a feature of an equilibrium compensation contract, and is induced by the tax treatment of in-kind, rather than in-cash corporate benefits. By forcing employers to charge for parking, the CAP will induce an offsetting increase in some other form of in-kind compensation, or in the form of an increase in the value of wage compensation. The employer finances these increases from the revenue from the parking charges; the employee receives them back in higher wages.

The only net cost is due to loss of the (federal and state) preferential treatment of in-kind parking. But the maximum cost is that associated with total loss of the tax-preference value of the free parking, namely, the marginal

tax rate times the market value of the parking spaces. Thus, the net costs of this policy are at most the market value of the currently-unpriced spaces times the average marginal tax rate of employees. As an aside, the costs will be borne by employers, not employees, since the employer must pay the same tax-adjusted wage in competitive labor markets.)

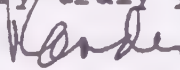
In summary, the costs of this policy are probably less than a fifth of those cited in the Report.

C16-S4

4. **Health Impacts.** The section of the report on the benefits of air quality improvements is inexcusably brief. These impacts, on health and property damage (which I did not see cited in the report) are the underlying justification of the CAP in the first place, and should be assessed for each TCM, and stated in dollar terms. Only then can we know which TCMs, on the margin, are worth pursuing the hardest.

As these comments make clear, I think that this is an extremely poorly done report. I am agnostic on whether the bottom line on the CAP is positive or negative, but you cannot tell it from this report. Nor can you use its findings to fine-tune implementation of the CAP.

Very truly yours,



Randall J. Pozdena
Vice President

cc: Michael McGill

**Response to Comment
Letter C16**

RESPONSE C16-1	See CAP FEIR Response to Comments document.
RESPONSE C16-2	See CAP FEIR Response to Comments document.
RESPONSE C16-3	See CAP FEIR Response to Comments document.
RESPONSE C16-4	See CAP FEIR Response to Comments document.
RESPONSE C16-5	See CAP FEIR Response to Comments document.
RESPONSE C16-6	See CAP FEIR Response to Comments document.
RESPONSE C16-7	See CAP FEIR Response to Comments document.
RESPONSE C16-8	See CAP FEIR Response to Comments document.
RESPONSE C16-9	See CAP FEIR Response to Comments document.
RESPONSE C16-10	See CAP FEIR Response to Comments document.
RESPONSE C16-11	See CAP FEIR Response to Comments document.
RESPONSE C16-S1	Although most of the revenue to fund transit construction will come from local or regional sources, the BAAQMD and MTC intend to seek state legislation to fund portions the program. Moreover, there is not necessarily a one-for-one correspondence of employment impacts between reduced consumption to pay additional taxes and fees and increased investment in infrastructure. The mobility improvements would help reduce transportation costs for business, providing inducements to further business growth and increases in employment.
RESPONSE C16-S2	The Report does not conclude that the costs of the market-based measures exceed their benefits; rather, it suggests that they may impose significant out-of-pocket costs on individuals who are unwilling or unable to avoid substantial auto use. This impact is of particular concern for low-income households that do not have adequate alternatives to the automobile. The issue is not the benefit/cost ratio of the program but rather the social equity of imposing costs on those least able to bear the burden. The Report concludes that with sufficient mitigation, which includes implementing the Phase 2 mobility improvements and income tax transportation credits, adverse impacts of the program can generally be avoided. Thus, the Report does not suggest that the market-based measures should not be undertaken, only that it is necessary to implement the transportation improvements

concurrently in order to ensure that reasonable transportation alternatives are in place.

RESPONSE C16-S3

The Report refers to the \$1.46 billion employee parking fee as "an aggregate annual charge," not as a net cost to society (p. 45). The point of the analysis, again, is primarily to indicate where significant out-of-pocket expenditures may occur. Further down on page 45, the Report makes the statement that, ". . . of the \$146 billion cost. . . , only \$155 million [the public and private sector administrative costs] represents actual net costs to society."

RESPONSE C16-S4

The discussion of the economic benefits of improved health conditions may be found on page 37 of the Socioeconomic Report. The section references a report prepared by the American Lung Association which provides some information relevant to the San Francisco Bay Area. The information is not specific to the CAP, however, and BAAQMD resources are not available to replicate the health cost studies. Therefore, more specific information on health cost impacts of individual measures in the CAP is not provided.



LEAGUE OF
WOMEN VOTERS
OF THE BAY AREA

An Inter League Organization of the San Francisco Bay Area

LETTER C23

July 24, 1991

Chairman Paul Cooper and Members of the Board
Bay Area Air Quality Management District
936 Ellis Street
San Francisco, California

C23-P

Dear Chairman Cooper and Members of the Board,

The League of Women Voters of the Bay Area has followed the progress of the three co-lead agencies in preparing the draft '91 Clean Air Plan. We applaud your completing the draft Plan in a timely fashion and not being daunted by technical uncertainties and the tight scheduling that was necessary.

We are concerned that the public should gain from the Plan an understanding of the health issues involved, the costs and benefits of attaining clean air, the magnitude of the undertaking of implementing the Plan and the degree of commitment needed of everyone. Our comments, summarized here, aim at improving the clarity of the Plan's message.

- The CAP should review the adverse health effects of ozone and carbon monoxide.
- The public needs a clear and direct message as to the measures necessary to clean up the air and what will be expected of the public. The public needs to know the schedule dates and responsible agencies.
- The CAP should address how the coordination of the activities of the agencies and jurisdictions who will implement the Plan will be accomplished.
- The Indirect Source Control Measure should be understandable and enforceable, not be limited to a single approach and be begun immediately.
- Implementation of the Phase 1 Transportation Control Measures and Parking Management should be begun immediately. Additional reasonably available TCM's should be developed to involve more of the driving public.

We regret that the Environmental Impact Report on the Plan was not released in a timely way, so that our comments at the hearings cannot be enlightened by that document.

The League of Women Voter of the Bay Area comments on the draft BAY AREA '91 CLEAN AIR PLAN (CAP): Implementing All "Feasible" Controls:

1. Adverse Health Effects of Ozone and Carbon Monoxide. The '91 CAP should review the adverse health effect of ozone and carbon monoxide to remind the public of the reasons for attaining the state air quality standards. Of local interest is the Santa Clara study, prepared for the Environmental Protection Agency as part of the Santa Clara Valley Integrated Environmental Management Project, in which a correlation was found between ozone exceedances and emergency room admissions and days missed from work, that is, between high ozone levels and sickness and disability.

Also, recent research findings should be reviewed. For example, scientists at the University of Southern California found, in autopsies, that the lungs of young nonsmokers between the ages of 14 and 25 who had died in accidents or homicides showed signs of permanent damage characteristic of ozone exposure. Three-fourths had changes in the lung tissue itself, and nearly all had chronic bronchitis. At the University of California at Los Angeles, long-term studies of two groups of nonsmokers, one living in an area with high levels of air pollution and the other breathing relatively clean air, showed that exposure to air pollution increased the incidence of chronic lung disease and accelerated its rate of development. These two studies show that the health effects of air pollution may not be temporary dysfunctions from which one recovers when the air clears up, but may lead to permanent injury.

2. Problems of Public Perception. The public needs a clear and direct message from the CAP as to the measures necessary to attain clean, healthful air and what will be expected of the various segments of the public to implement the CAP.

The CAP needs to state clearly that its goal is, ultimately, the protection of the public health from the adverse effects of ozone and carbon monoxide. The CAP intends to accomplish this goal by attaining the state air quality standards.

The CAP is a plan for ozone and carbon monoxide, and the title or a subtitle should so state. Those looking for measures to reduce air toxics, for example, will not find them here. Conversely, those who take the title of the draft CAP literally should not have to deal with the surprise of finding that there are also plans and programs to address other air pollutants.

The public may be confused by conflicting and inappropriate messages given out by the draft CAP. For instance, the public learns that the air will continue to get cleaner with present controls, yet with the new CAP we will not attain the state standards by 1997 and will not be able to show a five percent annual reduction in ozone precursors. The progress that has been made in cleaning up the air should be better fitted into the context of what still must be done. The pathway into the CAP

needs to be more direct. The message that an extensive commitment will be required of everyone must not be blunted.

The public needs to get from the CAP a better understanding of the public's responsibility in the quest for clean air. Some segments of the public, such as commuters, are singled out, but most receive no clear message from the draft CAP as to what they are to do.

The word "feasible" as it is used raises more questions than it resolves. It needs defining. Perhaps different language should be used to describe the controls in the draft CAP, if "feasible" poses problems, with reasons given for the need for the change in terminology.

An implementation schedule containing dates and responsible agencies should be included. A member of the employer segment of the public, for example, would be greatly helped if he knew the date by which Employer Based Trip Reduction measures were to be in place and the agency or jurisdiction responsible for enforcement.

C23-S1

The economic benefits of clean air and the cost of air pollution are not estimated, yet the cost of controls are specified. Equally valid information is available for both costs and benefits. The public needs to know who pays what, who benefits and what the trade-offs are.

C23-P

1. Coordination Among Agencies. Implementing the CAP will require coordinating the activities of many agencies and jurisdictions. The CAP should address how this is to be accomplished.

2. Indirect Sources. Indirect source control is not a transportation control measure and should not be included in the TCM portion of the CAP.

The indirect source control measure should include understandable and usable criteria; it should not be permissive. It should assign responsibility for the areas of impact which are broader than the areas of control. The Air District is not limited to using a single approach. Until its preferred program is in place, the District could accelerate its involvement in the CEQA process, which it could do immediately.

3. Transportation Control Measures. The implementation of the TCM's for which funding and authority exists, those in Phase 1 and parking management, should be begun immediately. Phase 1 TCM's should not be limited to those termed feasible by the Air Resources Board. Additional, immediately available TCM's could be developed which would affect the casual or off-peak-hour driver. For example, ridesharing programs could be developed for schools which do not have busing. Jitney service between shopping centers and residential and employment centers which are not served by public transit could be promoted. The activities of as many segments as possible of the driving public should be brought under the TCM's.

Implementing the Transportation Control Measures portion of the Plan cannot rely upon volunteerism. Isn't this an appropriate time for a Joint Powers Agreement between the Air District and the Metropolitan Transportation Commission to implement the TCM's and to coordinate the TCM's with the Congestion Management Programs of the Bay Area's cities and counties?

We appreciate the opportunity to present these comments for your consideration.

Yours very truly,

Adelia Sabiston

Adelia Sabiston
LWVC Air Quality Director

Jane Bergen

Jane Bergen
LWVBA Vice-President-Action

**Response to Comment
Letter C23**

RESPONSE C23-P	See Section 1.2 regarding comments on the CAP.
RESPONSE C23-S1	See Response C13-S5.
RESPONSE C23-P	See Section 1.2 regarding comments on the CAP.

Chairperson Cooper: Thank you very much. Denny Larson and then Lili Lee and Pamela Chan.

Public (Denny Larson): Thanks very much Chairman Cooper and members of the Board. I want to thank the Board for scheduling this hearing to facilitate public participation. I hesitate to remind you that it was my idea. But, I think it is pretty important that you have done this and I appreciate the time that you have taken to come here tonight, particularly because people who ordinarily are working during the day can't come to your usual meetings. I ask, despite the fact that we are here pretty late and we are all getting pretty tired, that you consider holding more of your hearings that have to do with stuff like the Clean Air Plan that impacts so many people in the public, at a time when they really can attend.

E2-S1

Just briefly, I want to share with you some of the concerns about the socioeconomic report that came out. Unfortunately, in press coverage last week, that report is seriously flawed because it fails to provide the rationale for cleaning the air in the Bay Area. It fails to quantify any of the benefits of the Plan. It gives the impression that the measures can not be justified. The South Coast District in their plan and in their socioeconomic report, did produce some numbers that indicate that the benefits of clean air outweigh the cost. Although their analysis isn't very complete or great, it is a starting point. The benefits of clean air can obviously be estimated in terms of reduced health care cost, reduced numbers of days missed work, and fewer cases of cancer and deaths due to various types of air pollution. Please instruct your staff to expand upon the benefit analysis that was used by the South Coast District. Produce and publicize such a document. I think that will aid in all of our efforts to get a good strong clean air plan through. I don't believe nor do I believe that you think we can any longer afford the cost to life and health or the financial cost of dirty air. If business is really part of this community and willing to work together on that, they will join in going for a stronger plan. Thank you.

Chairperson Cooper: Thank you Mr. Larson. The next card has two speakers, Lili Lee and Pamela Chan. Could you both come up?

Public (Lili Lee & Pamela Chan): Thank you. **I am Lili Lee**, a master student in the energy and resources group at UC Berkeley. **I am Pamela Chan** an environmental science major at UC Berkeley. **(Lili Lee)** We are here to represent the group, People of Color for the Environment. We thank you for this opportunity to speak to the Board and we support the calls of the environmentalists we have heard here for a stronger Clean Air Plan. Tonight we have heard many people talk about the detrimental impacts of air pollution, also about the impacts of abatement policies, but very few, notably Henry Clark and Chappel Hayes, have been here to represent poor people and people of color in the Bay Area. These groups are benefiting the least from this country's dependency on oil and toxic chemicals, yet they suffer the most. Poor neighborhoods often contain the freeways and polluting industry plants that makes possible the consumption habits of the rest of this population. Public transportation is becoming less and less affordable for those who can not afford cars. Improper land use planning encouraging suburban sprawl merely increases travel distances and drains resources from the inner-city. Like Denny Larson, we appreciate you holding this meeting after hours and hope for more opportunities in the future to let the public speak. Yet, look around the room, how many people of color or low income people do you see? Clearly they are being left out of the planning process.

(Pamela Chan): As a result, we have market-based approaches that tend to be regressive like gas taxes and bridge tolls. The BAAQMD can not continue to disenfranchise the people that suffer the most from economic, social, and environmental inequities. Regressive taxing will only further marginalize the under represented communities. Population and immigration statistics clearly show that the demographics of the Bay Area have been and will continue to change drastically. In the coming decade the majority population of the Bay Area will consist of people of color and low income people, many of whom will be immigrants. The growing new majority is a large constituency that can not be ignored. Through more out-reach, through more hiring of people of color within your agency and other similar agencies, you will begin to open the communication channels for innovative solutions to the air quality problem. You must involve poor people and people of color. Not as tokens,

E2-S7

but as integral parts of this planning process. We urge you, please, to consider this.
Thank you.

**Response to Comment
Letter E2**

RESPONSE E2-1	See CAP FEIR Response to Comments document.
RESPONSE E2-2	See CAP FEIR Response to Comments document.
RESPONSE E2-P	See Section 1.2 regarding comments on the CAP.
RESPONSE E2-3	See CAP FEIR Response to Comments document.
RESPONSE E2-P	See Section 1.2 regarding comments on the CAP.
RESPONSE E2-4	See CAP FEIR Response to Comments document.
RESPONSE E2-P	See Section 1.2 regarding comments on the CAP.
RESPONSE E2-5	See CAP FEIR Response to Comments document.
RESPONSE E2-6	See CAP FEIR Response to Comments document.
RESPONSE E2-7	See CAP FEIR Response to Comments document.
RESPONSE E2-8	See CAP FEIR Response to Comments document.
RESPONSE E2-S1	Please refer to response C13-37.
RESPONSE E2-S2	The comment is noted.

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